THE TASSIE CHESSBOARD...

Game On, The Moves & Countermoves Of Aged Care & Health Care Organisations In Tasmania
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Aged Care, An Emerging Industry

◆ In the previous years/post war years the three regional public hospitals or rural hospitals provided most aged care services, eg: Toosey, Huonville

◆ In the 1950s/60s, community developed and driven residential aged care services and/or independent living services were established

◆ Majority of towns/communities developed what could be regarded as stand alone, NFP aged care organisations, eg: Peace Haven

◆ Significant amount of fundraising, donations or bequests, eg: Eliza Purton

◆ The Commonwealth Government passed the Aged Care Act in 1997
Aged Care, An Emerging Industry

- Limited Tasmanian local government involvement in aged care services development and delivery, eg: Glamorgan Spring Bay Council/ May Shaw

- Various Commonwealth and State government financial incentives, eg: CAM/SAM Funding

- A few small, stand alone NFP aged care organisations slowly grew services over time, but the majority of organisations stayed “town centric”

- In the 1990s, the first amalgamations of NFP aged care organisations commenced, since then an increasing trend, eg: Nazareth House, Ainslie House, etc
An Increasingly Hot Market

2006  Japara buys Cosgrove Park and Tamar Park (closed 2013) from Park Group

Pre 2009  Calvary Community Care win home care packages

2008/09  Japara redevelops Cosgrove Park into residential care and independent living units

2013  Feros wins home care places in ACAR

2014  FBCN merges with integratedliving, following failed merger talks with FBCNW & CBSS Inc
An Increasingly Hot Market

2014  Japara allocated 45 residential places in northern region (ACAR December 2014)

Submitted planning application to West Tamar Council in October 2014 for a 75 bed aged care facility, which is currently under construction

2014  RDNS wins home care places in ACAR, already operates TasCarepoint

2014  Island care acquires The Alcheringa Group (Vic)
An Increasingly Hot Market

2014
Fred French Trustees, Fred French and Peace Haven agree to explore formal merger, apply to Supreme Court to vary Fred French Trust Deed

2015
Fred French, Peace Haven and Southern Homes commence formal merger investigation process

2015
Mary’s Grange into Southern Cross Care (underway)

2015
3 Tasmanian Health Organisations become one organisation

2015
RDNS and RSL Care announce merger ($1 billion combined asset base and $500 million revenue)

◆ This is by no means an exhaustive list!!!!
### An Increasingly Hot Market

Numbers refer to Commonwealth Government funded aged care organisations

<table>
<thead>
<tr>
<th>Care Type Delivered</th>
<th>Organisations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential Care Only</td>
<td>16</td>
</tr>
<tr>
<td>Home Care Only</td>
<td>20</td>
</tr>
<tr>
<td>Residential &amp; Home Care</td>
<td>19</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>55</strong></td>
</tr>
</tbody>
</table>

**Tasmanian Aged Care Today**

The Tassie Chessboard...Game On, The Moves & Countermoves of Aged Care & Health Care Organisations In Tasmania
Thursday, 19 & Friday, 20 November, 2015, Country Club Tasmania, Launceston
### An Increasingly Hot Market

- Numbers refer to Commonwealth Government funded aged care organisations

#### View 2

<table>
<thead>
<tr>
<th>Care Type Delivered</th>
<th>Organisations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home Care</td>
<td>39</td>
</tr>
<tr>
<td>Residential Care</td>
<td>33</td>
</tr>
<tr>
<td><strong>Total</strong>*</td>
<td><strong>55</strong></td>
</tr>
</tbody>
</table>

* Will not equal the two sections added together as some organisations are counted in both
An Increasingly Hot Market

Today, private businesses, public businesses, community businesses, State Government and non-Commonwealth government funded businesses deliver aged care services

* Public Businesses, eg: Japara
* Private Businesses, eg: Bupa, Kincare
* Community Businesses (NFP/Church/Charitable), eg: Uniting AgeWell (Vic/Tas)
* State Government, eg: THO
* Non-Commonwealth Government Funded, eg: Senior Helpers Tas, The Carer’s Phone/Prompt Care
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**Tasmanian Aged Care Today**

- **Highly Capital Intensive**
- **Highly Labour Intensive**
- **Cross-subsidisation**
- **High Legislation & Regulation**
- **Over Servicing**
- **Ageing people, increasingly, short stays, chronic health/complex health challenges requiring high care – sub-acute**
- **“Fixed” Income Over Rising Costs**
- **Margins/Profit Squeeze**
- **Inefficiencies**
- **Highly Capital Intensive**

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Need For A Double Jump

Tasmanian Aged Care Today

Strategic Intent & Strategic Direction

Government Funded, Welfare Paradigm
“Old Days, Old Ways”

Customer Driven, Deregulated, Competitive Market Paradigm
“New Days, New Ways”

Envision The Future, Develop The Strategy
Redesign & Re-engineer Business/Service Model
Financial Modeling, Financial Planning
Restructure & Right Size Structure/Positions
Systems Development
Transition the People, Transition the Culture

◆ Transition to a new paradigm, whilst transitioning the organisation
Commercialisation, Privatisation, Deregulation & Customer Choice

◆ The Commonwealth Government aged care, hospital and health care and disability reforms and policies have unleashed the combined forces of:

...commercialising organisations, eg: Feros Care
...privatising services, eg: NSW Home Care
...deregulating markets, eg: Home Care
...100% customer choice, eg: NDIS

◆ The worlds of aged care, hospital and health care are colliding, whilst aged care and disability are colliding...aged care being in the middle of both collisions
Tasmanian Aged Care Today

- Nationally aged care providers can be strategically or organisationally categorised into Tier 1, Tier 2 or Tier 3.

- Eg: Bupa, Japara, Southern Cross Care (Tas), One Care (Tas), Uniting AgeWell (Vic/Tas), Feros Care (National), integratedliving, Anglicare (Tas), Calvary Community Care

- Eg: Island Care (Tas/Vic), Hobart District Nurses, Corumbene

- Eg: Toosey, Fred French, Aged Care Deloraine, Huon Eldercare, South East Community Care, Peace Haven, May Shaw, Meercroft Care
A Tiered Industry Has Emerged

Tasmanian Aged Care Today

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A Tiered Industry

◆ The big strategic moves, primarily made by Tier 1s/high-end Tier 2s, eg:
  Southern Cross Care
    * Mary’s Grange (Tas)
    * Fairway Rise (Tas)
  Island Care
    * Alcheringa (Vic)
    * Pyramid Hill (Vic)
    * Coates (Vic)

integratedliving
  * FBCN (Tas)
  * Package Transfers
  * Statewide CHSP (HACC)

Hobart District Nursing Services (District Nurses)
  * Palliative Care Statewide
From Tiered To Towered

◆ Today’s prevailing industry triangle will continue to be shaped by:
  * customers, carers and families’ choice and demands
  * market/industry drivers and forces
  * Commonwealth and State government reforms and policies
Increasing Acuity, “The Sweet Spot”

Tasmanian Aged Care Today

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People who are ageing & have emerging or actual chronic health or complex health challenges & require high care – sub-acute services
What To Do About Tomorrow?

◆ The big strategic question is, on what basis does a board, chief executive officer and executive team make their strategic decisions about organisational strategies, capital development and business development:

* understanding past, present and future industry/sector trends and characteristics
* robust strategic thinking, strategic discussion and strategic planning
* detailed research and analysis of customers, markets/sub-markets and associated elements
TasCareD

◆ TasCareD is a comprehensive and integrated aged care database

◆ In summary, TasCareD provides a wide range of:
  * organisational profiles
  * community profiles

◆ TasCareD is an extremely powerful, data and information rich resource/tool that enables boards, chief executive officers and executives to make evidence-based/informed planning, project and strategy decisions
Japara submitted a planning application to West Tamar Council in October 2014 for a 75 bed aged care facility, this is currently under construction.

### Community Profiles

<table>
<thead>
<tr>
<th>Postcode (can sort by LGA or ACPR)</th>
<th>7264 (Ansons Bay, Eddystone, Weldborough)</th>
<th>7004 (Battery Point, South Hobart)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABS SEIFA (Advantage &amp; Disadvantage)</td>
<td>866 (Australian average is 1000)</td>
<td>1046 (Australian average is 1000)</td>
</tr>
<tr>
<td>ABS SEIFA (Advantage &amp; Disadvantage) - Rank w/ Tasmania</td>
<td>12 – a higher rank equates to a higher level of advantage 100</td>
<td>100 – a higher rank equates to a higher level of advantage</td>
</tr>
<tr>
<td>ATO Average total income or loss</td>
<td>$34,425.13</td>
<td>$62,411.43</td>
</tr>
<tr>
<td>ATO % of individuals who receive an Australian Government pension or allowance</td>
<td>7.41%</td>
<td>6.06%</td>
</tr>
<tr>
<td>ABS No/% growth in 65-84 year olds (for applicable SA2)</td>
<td>1183/120.71</td>
<td>503/44.95</td>
</tr>
<tr>
<td>ABS No./% growth in people aged 85+ (for applicable SA2)</td>
<td>113/29.43</td>
<td>837/104.98</td>
</tr>
</tbody>
</table>
TasCareD Benefits, Value & Costs

- Brings together seven data sets to form a unique, single resource rich database of data and information about Tasmanian Aged Care

- Includes population forecasts done specifically for aged care planning

- Can provide a snapshot of Tasmanian communities or more in depth analysis

- Easy access and usage, built in Excel

- Costs: $10,000 Large organisations
  $5,000 Medium organisations
  $2,500 Small organisations
Further Information

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