# THE TASSIE CHESSBOARD...

## Game On, The Moves & Countermoves Of Aged Care & Health Care Organisations In Tasmania

AUSTRALIAN STRATEGIC SERVICES

Aged & Community Services • 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

## View 1

| Care Type Delivered | Organisations |
|---|---|
| Residential Care Only | 16 |
| Home Care Only | 20 |
| Residential & Home Care | 19 |
| Total | 55 |


# An Increasingly Hot Market

- Numbers refer to Commonwealth Government funded aged care organisations

## View 2

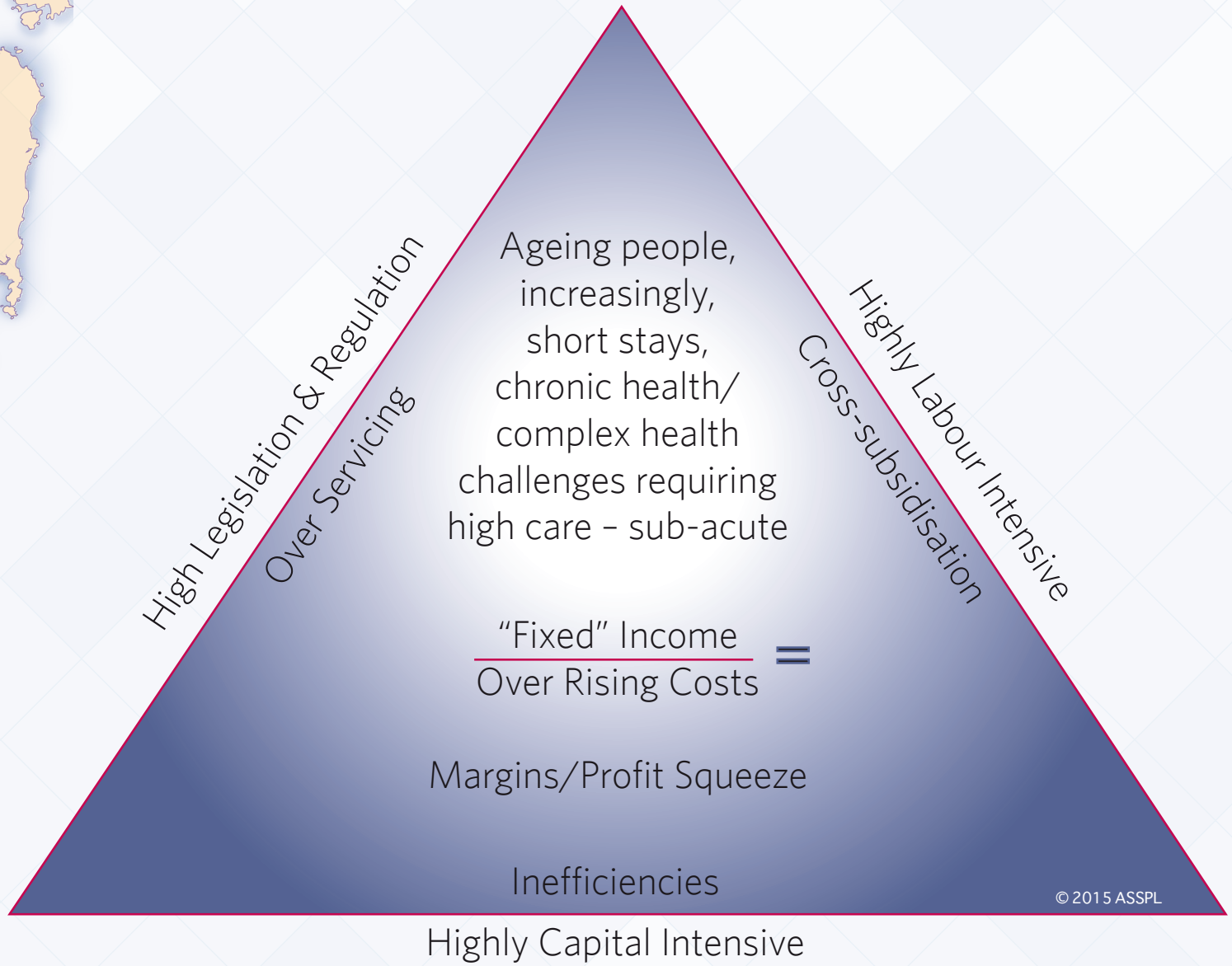
| Care Type Delivered | Organisations |
|---|---|
| Home Care | 39 |
| Residential Care | 33 |
| Total* | 55 |

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

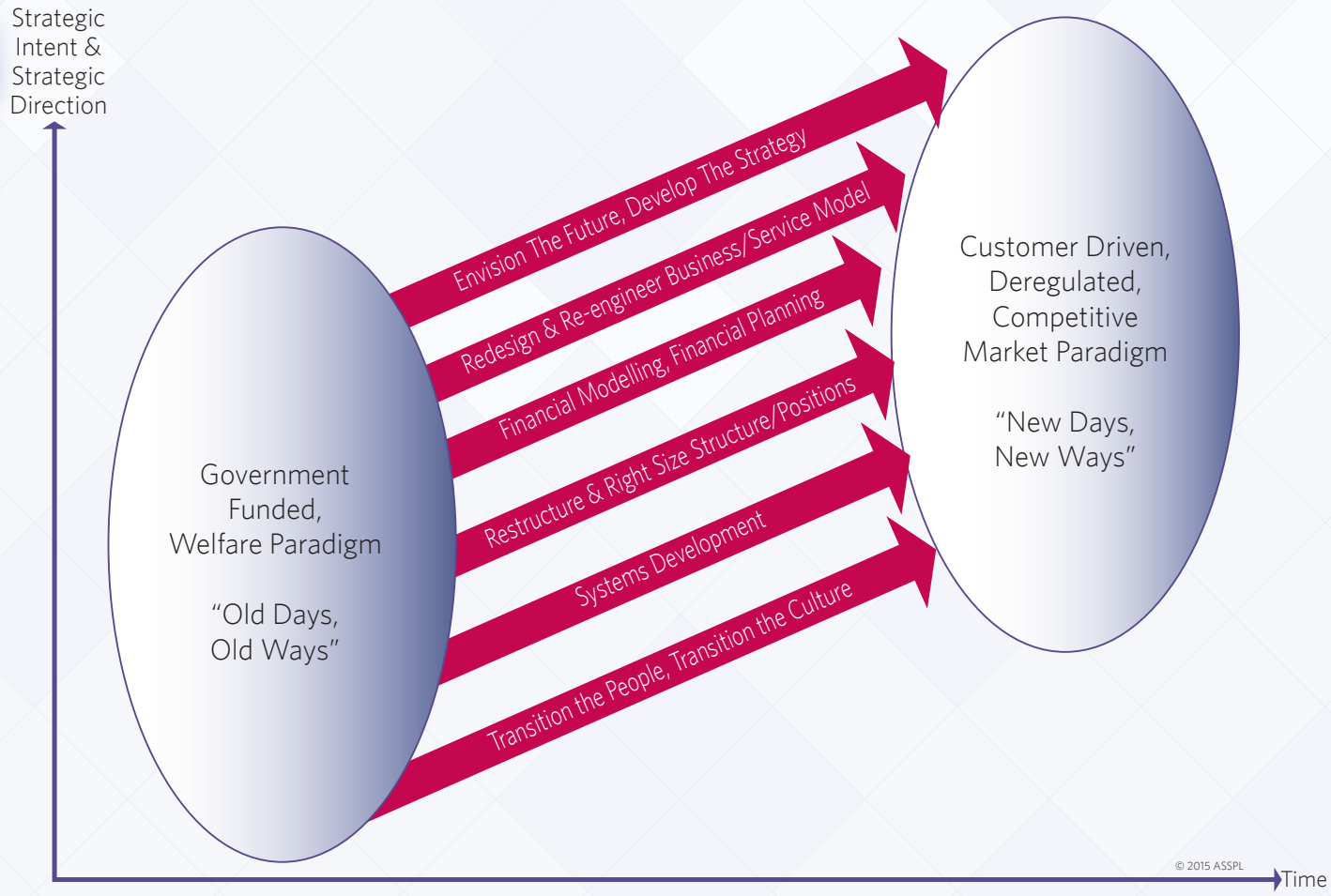

# An Increasingly Hot Market

- 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


# Prevailing Business/Service Model




# Need For A Double Jump




- 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

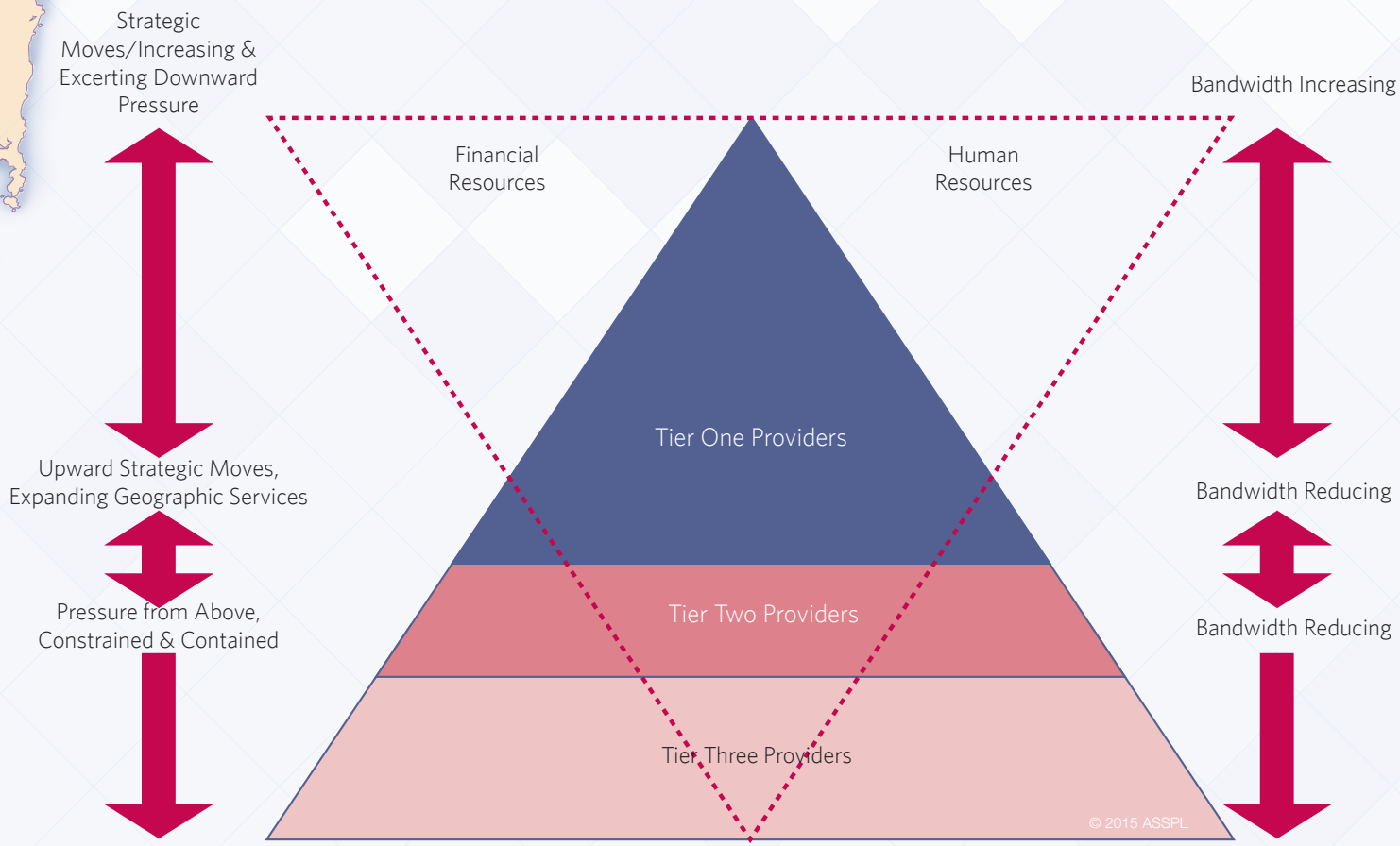
  ...100% customer choice, eg: NDIS

- 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

# A Tiered Industry Has Emerged


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


# A Tiered Industry Has Emerged




# 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)

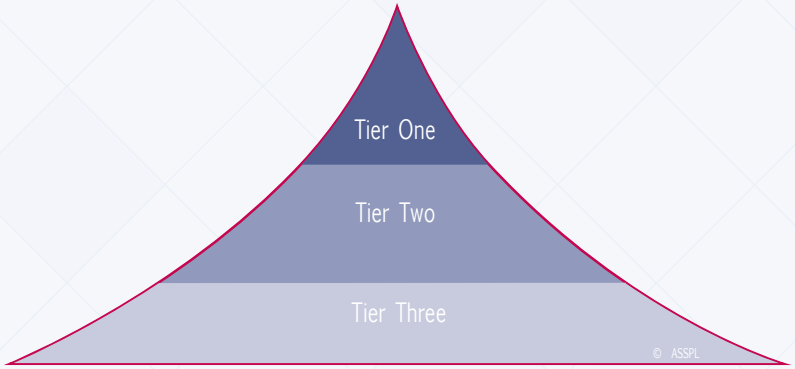
  Island Care
  - Alcheringa (Vic)
  - Pyramid Hill (Vic)
  - Coates (Vic)

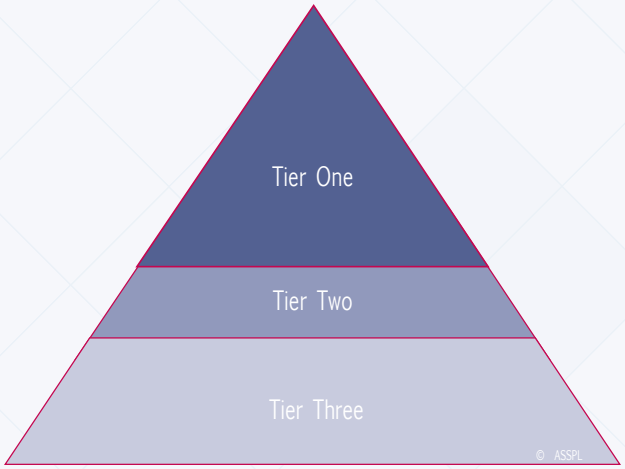
  integratedliving
  - FBCN (Tas)
  - Package Transfers
  - Statewide CHSP (HACC)

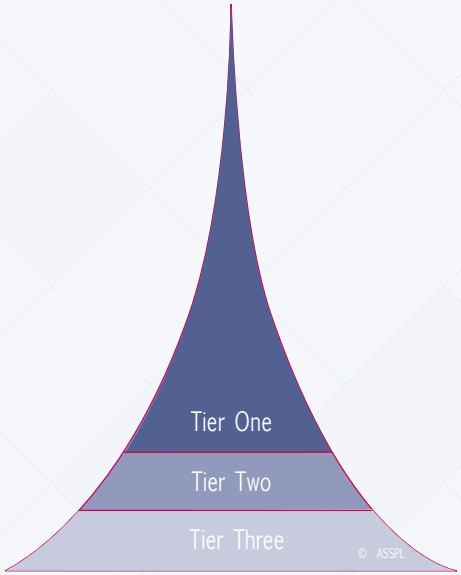
  Hobart District Nursing Services (District Nurses)
  - Palliative Care Statewide


# From Tiered To Towered

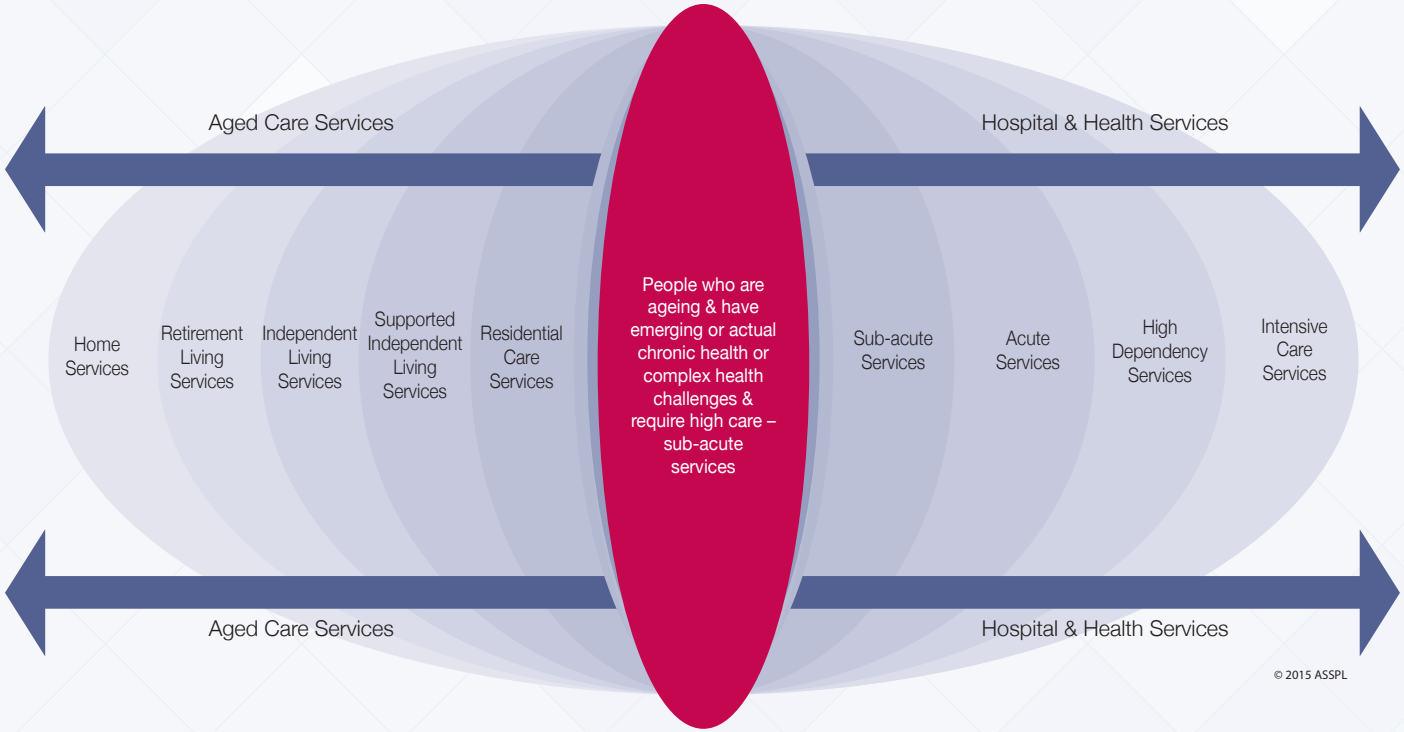
- Today's prevailing industry triangle will continue to be shaped by:
  - customers, carers and families' choice and demands
  - market/industry drivers and forces
  - Commonwealth and State government reforms and policies




# Increasing Acuity, "The Sweet Spot"

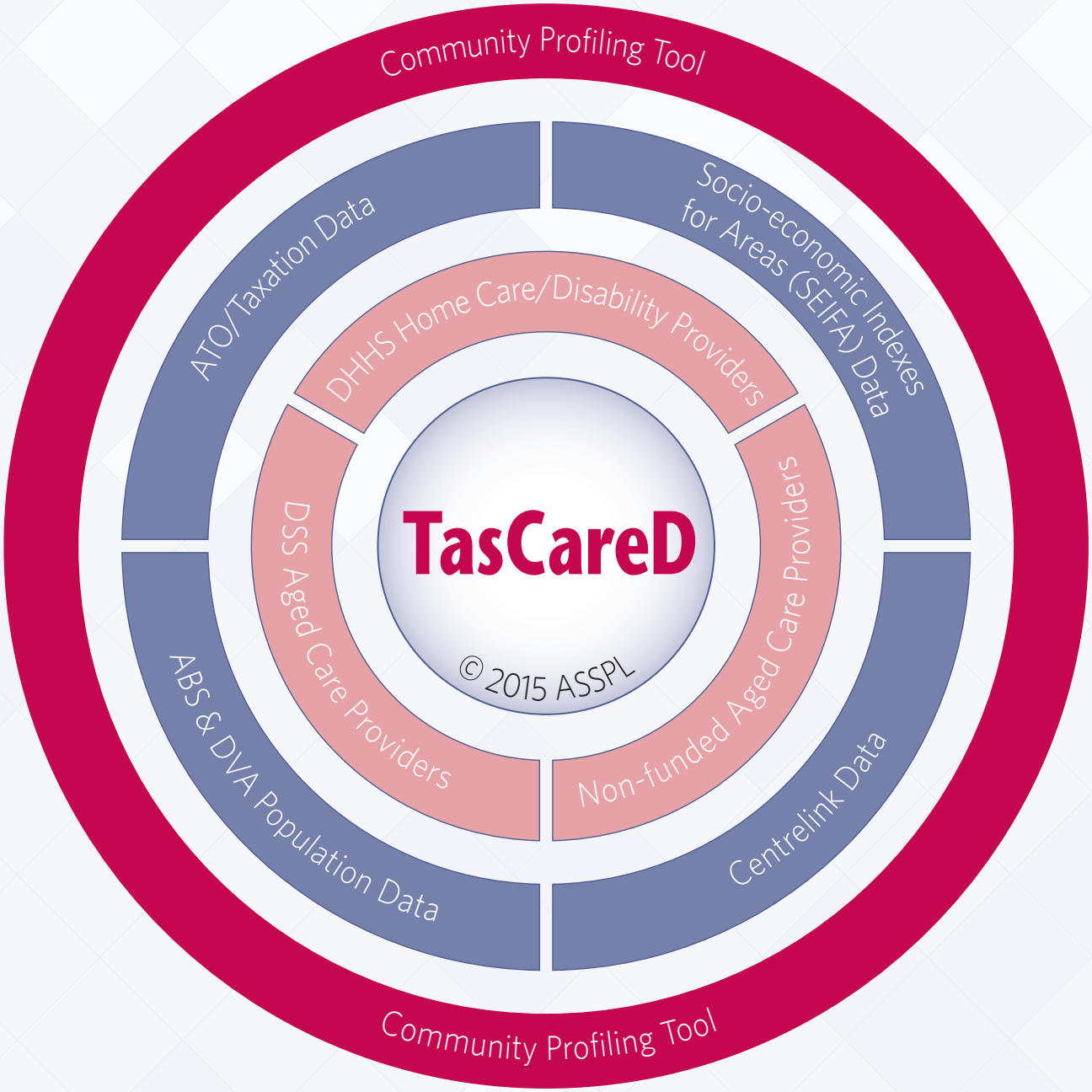



# What To Do About Tomorrow?

- 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


# Community Profiles

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

- Japara submitted a planning application to West Tamar Council in October 2014 for a 75 bed aged care facility, this is currently under construction


# 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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