Supply and Demand Insights

Australia's Residential Aged Care Services

par8o

Data driven business insights

Introduction

Welcome to the Par8o Supply and Demand Insights Report for Residential Aged Care Services in Australia. This report summaries information taken from Par8o's National Seniors Living Model, an online and interactive platform available for subscription.

Par8o's National Seniors Living Model provides cost effective, timely and accurate locational intelligence insights for development and operational professionals seeking to drive improved commercial value in the senior's residential accommodation sector.

This report aims to provide a snapshot of the capabilities of Par8o's National Seniors Living Model by focusing on the residential aged care services sector only. Residential aged care services will generally encompass permanent residential care or respite residential care. The types of accommodation typically associated with residential aged care services are purposefully designed, larger aged care homes and facilities.

Please note, subscribers to Par8o's National Seniors Living Model platform receive a full version of this report, that also provides more detailed supply and demand insights for all of Australia's aged care services. This report also provides high value, proprietary insights on Australia's land lease / lifestyle resort, and retirement villages, markets. This full report is updated and delivered to subscribers on an annual basis.

About Par8o

For further information about Par8o, please refer to the back page or visit www.par8o.com.au.

Geographical Area Classifications

Par8o provides geospatial insights, therefore, it utilises geographical areas consistent with how the Australian Bureau of Statistics (ABS) collects its Census data. These geographical areas are often different to non-ABS structures, which are more commonly understood like suburbs, postcodes, and Local Government Areas (please refer to the image located on the following page for further context).

The below information is sourced from the ABS and provides an overview of the geographical areas utilised by Par8o and also referenced in this report.

Statistical Area Level 1 (SA1)
Statistical Areas Level 1 (SA1s) are designed to maximise the geographic detail available for the Census of Population and Housing data while maintaining confidentiality. SA1s have a population between 200 to 800 people. In remote and regional areas, they generally have smaller populations than those in urban areas. Par8o typically thinks of SA1s as a neighbourhood, or a collection of neighbourhoods.

Statistical Area Level 2 (SA2)
Statistical Areas Level 2 (SA2s) are medium-sized general-purpose areas built up from whole Statistical Areas Level 1 (SA1s). They generally have a population between 3,000 and 25,000. Their purpose is to represent a community that interacts together socially and economically. In remote and regional areas, SA2s have smaller populations and cover a larger area than those in urban areas. Par8o typically thinks of SA2s as a suburb, or combined suburbs.

Statistical Area Level 3 (SA3)

Statistical Areas Level 3 (SA3s) provide a standardised regional breakup of Australia. Their boundaries are constructed by grouping together whole Statistical Areas Level 2 (SA2s) that share certain characteristics. For example, an SA3 may represent the functional area of a regional town, within which most people work and live. Some SA3s are also constructed to match administrative boundaries and may contain one or more State Regional Development Area or Local Government Area (LGA). Par8o typically thinks of SA3s as a region, or combined regions.
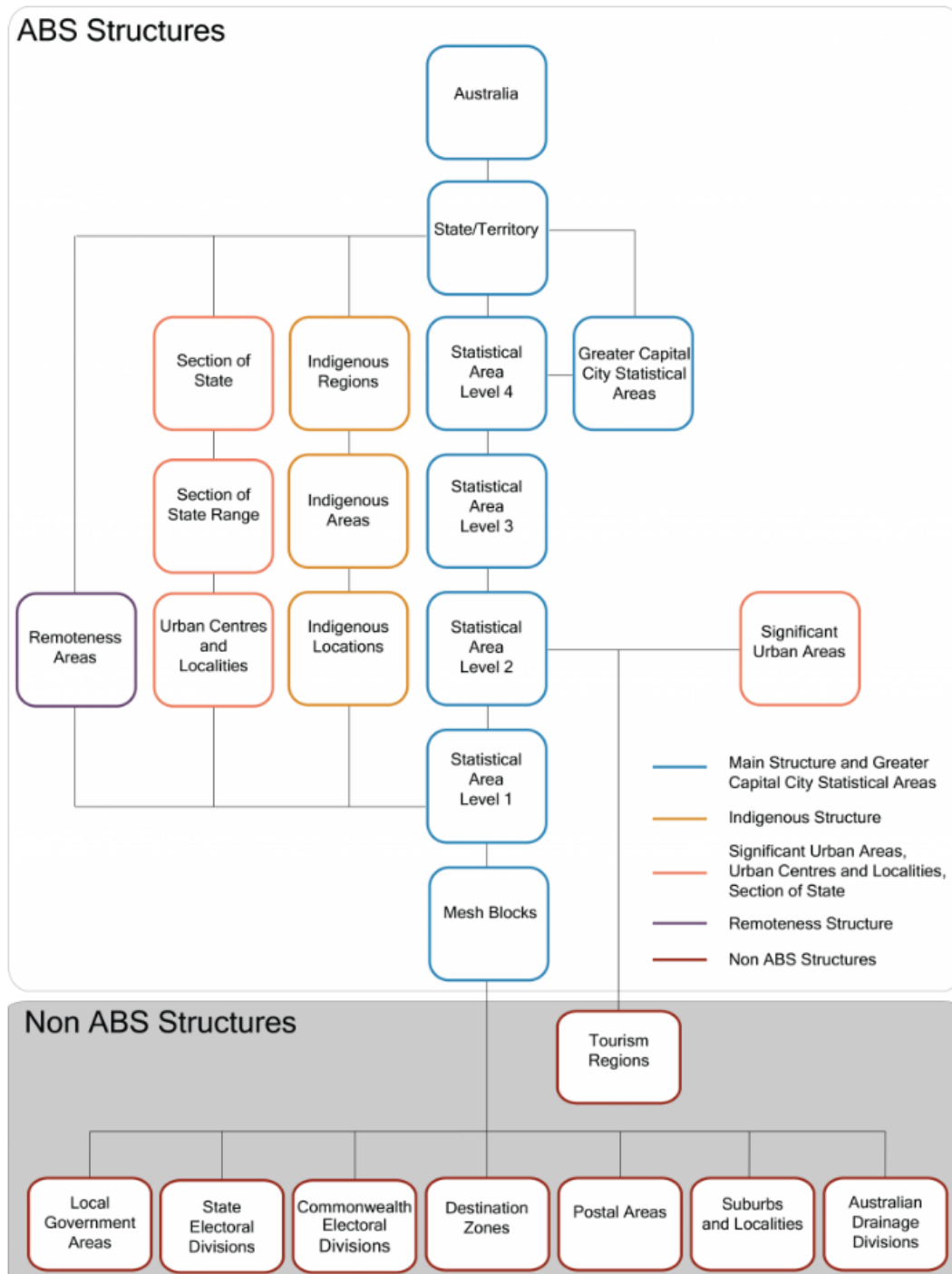
Data Source: ABS

Australia's Residential Aged Care Customer Profile

According to the Australian Government Institute of Health and Welfare, as at June 2021, approximately 370,000 people were utilising residential aged care services in Australia, consisting of both permanent residential care and respite residential care.

Please note the following key insights regarding Australia's residential aged care services customer profile.

- In terms of customer breakdown by age segments:

    o Aged 0 to 49 – 0.1%
    o Aged 50 to 64 – 1.7%
    o Aged 65 to 74 – 13.8%
    o Aged 75 to 84 – 34.4%
    o Aged 85 to 94 – 42.1%
    o Aged 95+ – 8.0%

- In terms of customer breakdown by gender:

    o Females – 65.7%
    o Males – 43.3%

- In terms of customer breakdown by state location:

    o ACT – 1.2%
    o NSW – 33.2%
    o NT – 0.4%
    o QLD – 19.1%
    o SA – 8.4%
    o TAS – 2.4%
    o VIC – 27.0%
    o WA – 8.3%

- In terms of customer breakdown by cultural background:

    o Born in Australia – 64.4%
    o Born in other main English-speaking countries – 11.3%
    o Born in non-English speaking countries – 24.34%

- In summary:

    o 84.4% of all customers are aged above 75 years
    o 65.7% of all customers are female
    o 80.6% of all customers are located on the eastern seaboard of Australia
    o 75.7% of all customers were born in main English-speaking countries

Australia's Regions - Residential Aged Care Supply and Demand Insights

According to the Australian Government Institute of Health and Welfare, as at June 2021, a total of 2,881 facilities existed in Australia that were providing residential aged care services in Australia. These facilities all contained places that were allocated for both permanent residential care, and respite residential care, purposes.

Please note the following key insights regarding Australia's residential aged care services supply.

- In terms of places breakdown by state location:

    o ACT – 1.2%
    o NSW – 32.9%
    o NT – 0.3%
    o QLD – 19.4%
    o SA – 8.4%
    o TAS – 2.3%
    o VIC – 26.4%
    o WA – 8.9%

Please note the following key insights regarding Australia's SA3 regions and their key residential aged care services supply and demand metrics. It is worth noting, the Australian Bureau of Statistics (ABS) indicates that Australia contains a total of 359 unique SA3 regions with no gaps or overlaps.

- In terms of all Australian SA3s, on average, each SA3 region contains:

    o 5,673 persons aged 75+
    o 7.9% of the total population aged 75+
    o A ratio of 0.55 females to males aged 75+
    o 684 residential aged care places
    o 10.0 persons aged 75+ per residential aged care place

- In terms of urban / greater capital city SA3s only, on average, each SA3 region contains:

    o 6,282 persons aged 75+
    o 7.0% of the total population aged 75+
    o A ratio of 0.56 females to males aged 75+
    o 774 residential aged care places
    o 9.6 persons aged 75+ per residential aged care place

- In terms of regional / non greater capital city SA3s only, on average, each SA3 region contains:

    o 4,937 persons aged 75+
    o 8.9% of the total population aged 75+
    o A ratio of 0.53 females to males aged 75+
    o 575 residential aged care places
    o 10.6 persons aged 75+ per residential aged care place

The following table identifies Australia's urban / greater capital city SA3s with the highest number of residential aged care places (top 10), along with other key residential aged care service supply and demand metrics.

SA3 Region	State	Residential Aged Care Places	% Population Aged 75+	Ratio Females Aged 75+	Persons Aged 75+ per Residential Aged Care Place
Mornington Peninsula	VIC	2,449	12.9%	0.55	8.9
Monash	VIC	2,357	9.8%	0.56	7.6
Boroondara	VIC	2,156	8.8%	0.58	6.9
Baulkham Hills	NSW	2,106	7.8%	0.56	5.7
Gosford	NSW	2,039	10.9%	0.57	9.5
Wyong	NSW	1,971	10.0%	0.56	8.6
Stirling	WA	1,889	8.4%	0.58	9.3
Dandenong	VIC	1,877	7.7%	0.55	7.9
Bankstown	NSW	1,838	6.8%	0.55	6.9
Warringah	NSW	1,797	8.8%	0.58	7.7
National Urban SA3 Average	**-**	**774**	**7.0%**	**0.56**	**9.6**

Data Source: ABS, AIHW, Par8o

When compared to the national, urban / greater capital city SA3 averages, the above regions listed generally appear well balanced from a supply and demand perspective. However, from a high-level market risk and opportunity viewpoint, the Bankstown SA3s existing level of supply may exceed its demand levels, and inversely, the Gosford SA3s existing level of supply may not adequately meet its demand levels.

The following table identifies Australia's regional / non greater capital city SA3s with the highest number of residential aged care places (top 10), along with other key residential aged care service supply and demand metrics.

SA3 Region	State	Residential Aged Care Places	% Population Aged 75+	Ratio Females Aged 75+	Persons Aged 75+ per Residential Aged Care Place
Geelong	VIC	2,703	8.3%	0.58	6.5
Newcastle	NSW	2,254	8.1%	0.58	6.4
Toowoomba	QLD	1,744	8.5%	0.58	7.9
Wollongong	NSW	1,413	8.6%	0.56	8.2
Tweed Valley	NSW	1,390	12.6%	0.55	8.9
Shoalhaven	NSW	1,374	12.3%	0.53	9.7
Townsville	QLD	1,275	5.7%	0.56	8.6
Bendigo	VIC	1,267	8.9%	0.56	7.2
Ballarat	VIC	1,260	8.3%	0.58	7.7
Caloundra	QLD	1,247	11.2%	0.55	8.6
National Regional SA3 Average	**-**	**575**	**8.9%**	**0.53**	**10.6**

Data Source: ABS, AIHW, Par8o

When compared to the regional / non greater capital city SA3 averages, the above regions listed generally appear well balanced from a supply and demand perspective. However, from a high-level market risk and opportunity viewpoint, the Townsville SA3s existing level of supply may exceed its demand levels, and inversely, the Tweed Valley SA3s existing level of supply may not adequately meet its demand levels.

Identifying Opportunity Regions for Residential Aged Care Supply with Par8o

Par8o has identified two SA3 regions in Australia where existing levels of residential aged care service supply may not be adequately meeting its demand levels. These SA3s are North Sydney – Mosman (urban) and Lake Macquarie – East (regional). The table below articulates the potential opportunities in these regions based on their residential aged care services supply and demand metrics, compared to the relevant national SA3 averages.

	National Urban SA3 Average	North Sydney - Mosman SA3 (urban)	National Regional SA3 Average	Lake Macquarie - East (regional)
Residential Aged Care Places	774	516	575	1,027
% Population Aged 75+	7.0%	8.6%	8.9%	10.0%
Ratio Females Aged 75+	0.56	0.57	0.53	0.57
Persons Aged 75+ per Residential Aged Care Place	9.6	15.8	10.6	12.3

Data Source: ABS, AIHW, Par8o

The maps located on the following pages provide an insight into how the Par8o National Seniors Living Model would examine the identified macro-opportunity SA3 regions, and narrow down the level of focus by identifying the micro areas of localised geographic opportunity within the broader regions.

The map below identifies the North Sydney – Mosman SA3

- Each of the coloured shapes represent SA1 areas, or neighbourhoods, that contain between 200 and 800 people
- As the legend to the right of the map indicates, the colours define demand drivers - "Persons Aged 75+ by SA1" and "Ratio Females Aged 75+ by SA1"
- Visually, an SA1, or neighbourhood, coloured 'dark red' represents high demand for residential aged care services
- As the colour range scales down to lighter contrasting colours, the level of demand for the subsequent SA1s, or neighbourhoods, decreases
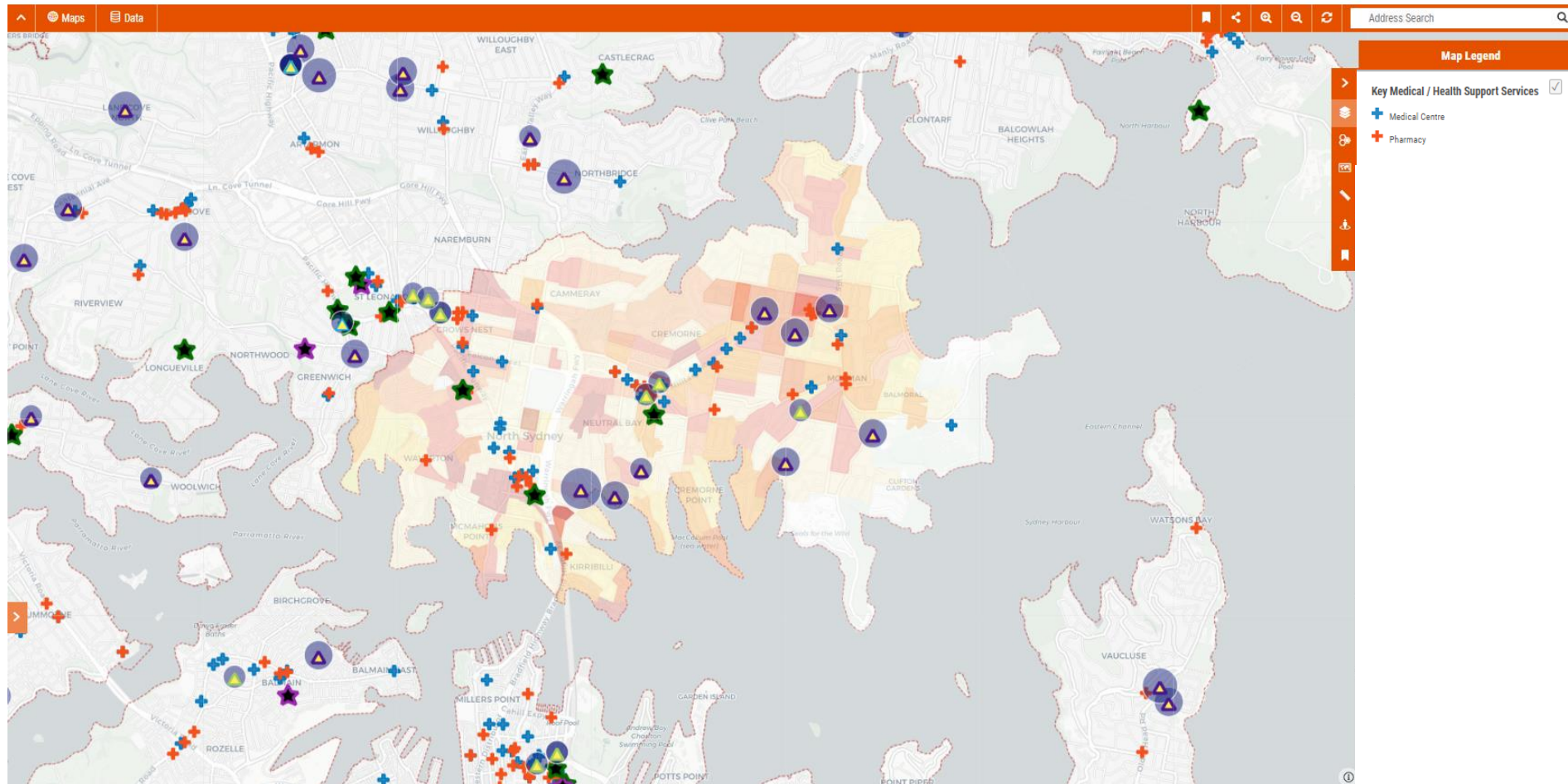
The map below builds upon the previous demand data overlaid for the North Sydney – Mosman SA3, by including existing aged care services supply

- Each of the yellow triangles represent a form of aged care service
- The differing types of aged care services are identified by coloured borders, as defined by the legend to the right of the map
- Residential aged care supply is identified by a dark blue border, plus a circle that scales in size based on the number of residential places provided
- Residential aged care supply is also mapped for neighbouring SA3 areas to help contextualise the wider supply environment
- Visually, areas of potential demand, and limited supply, can now start to be identified

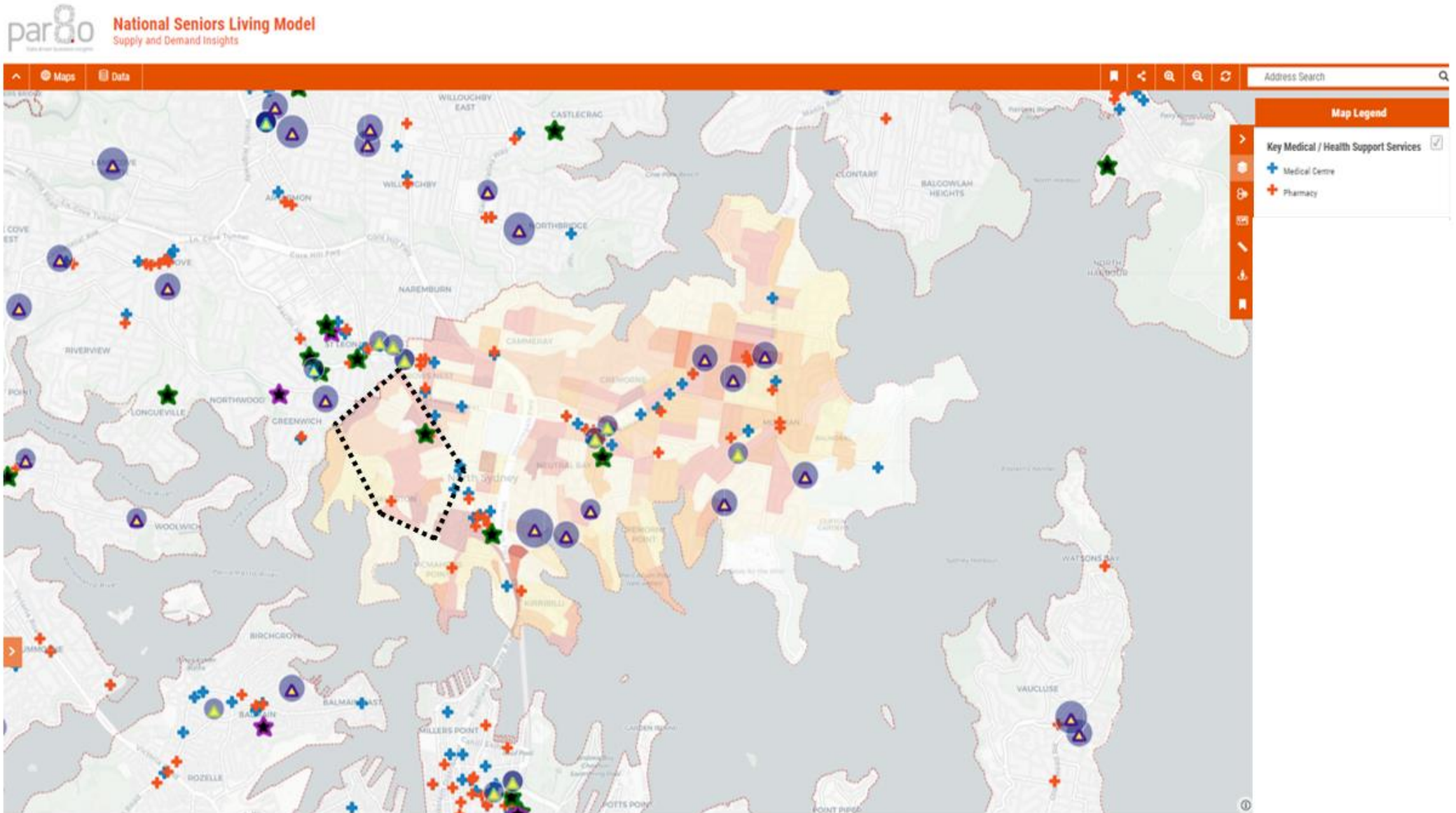The map below builds upon the previous demand and supply data overlaid for the North Sydney – Mosman SA3, by including existing hospital supply

- Each of the black stars represent a hospital
- Public or private hospitals are defined by the coloured borders, as per the legend to the right of the map
- Hospital supply is also mapped for neighbouring SA3 areas to help contextualise the wider supply environment
- Locating residential aged care in proximity to existing hospital infrastructure is logical from a care perspective
- Visually, areas of potential demand, limited supply, plus surrounded by the required complimentary infrastructure, can now be identified

The map below builds upon the previous demand and supply data overlaid for the North Sydney – Mosman SA3, by including existing medical / health support services

- Each of the blue crosses represents a medical centre, and each of the red crosses represents a pharmacy, as defined by the legend to the right of the map
- Existing medical / health support service supply is also mapped for neighbouring SA3 areas to help contextualise the wider supply environment
- While not as critical as locating residential aged care in proximity to existing hospital infrastructure, the provision of existing medical / health support services remains a worthy consideration

The map below defines a micro area of the North Sydney – Mosman SA3 worthy of further investigation based on the supply and demand insights provided by the Par8o National Seniors Living Model. This area is identified by the dotted black line and includes the private North Sydney Mater Hospital.
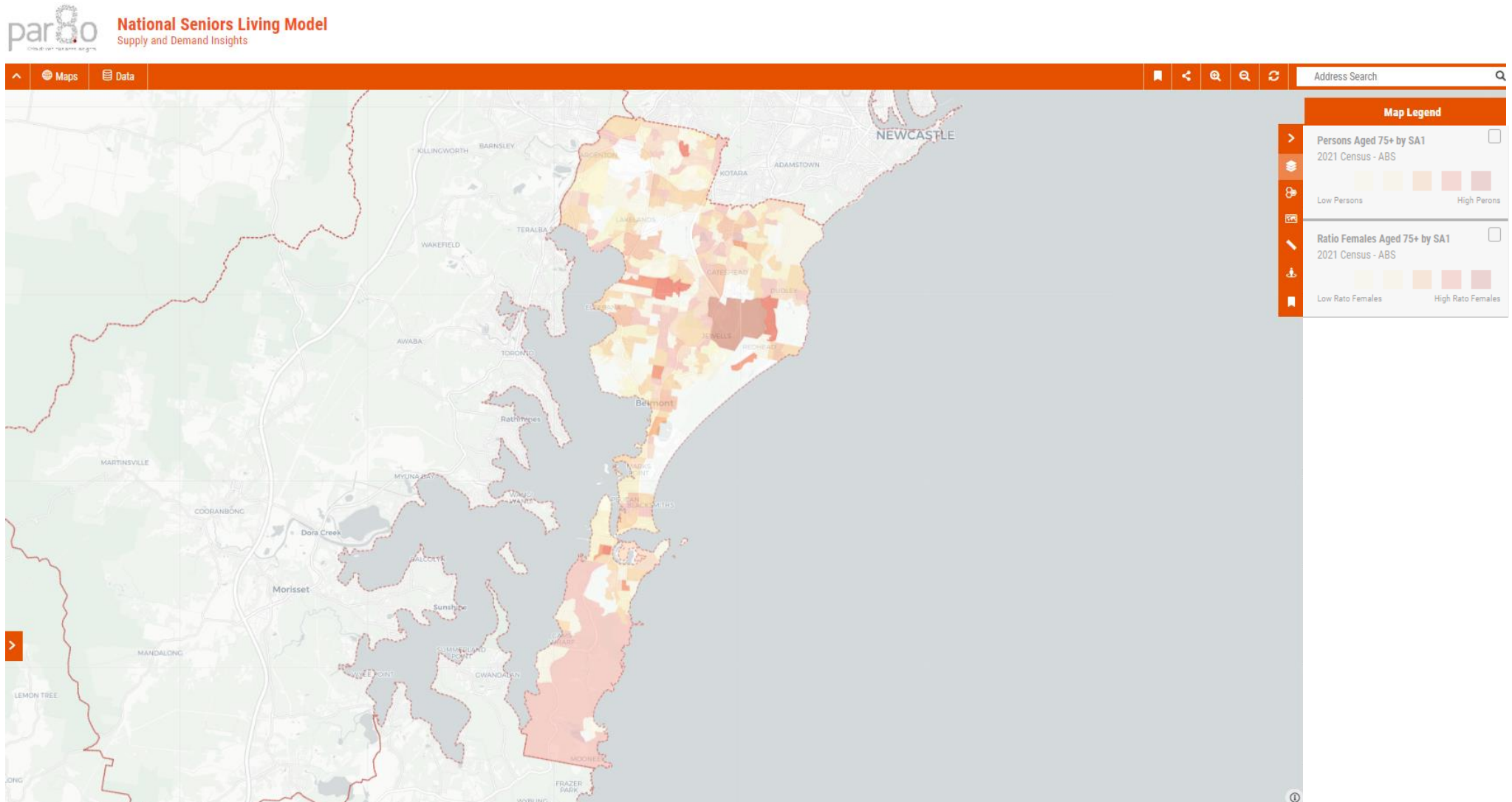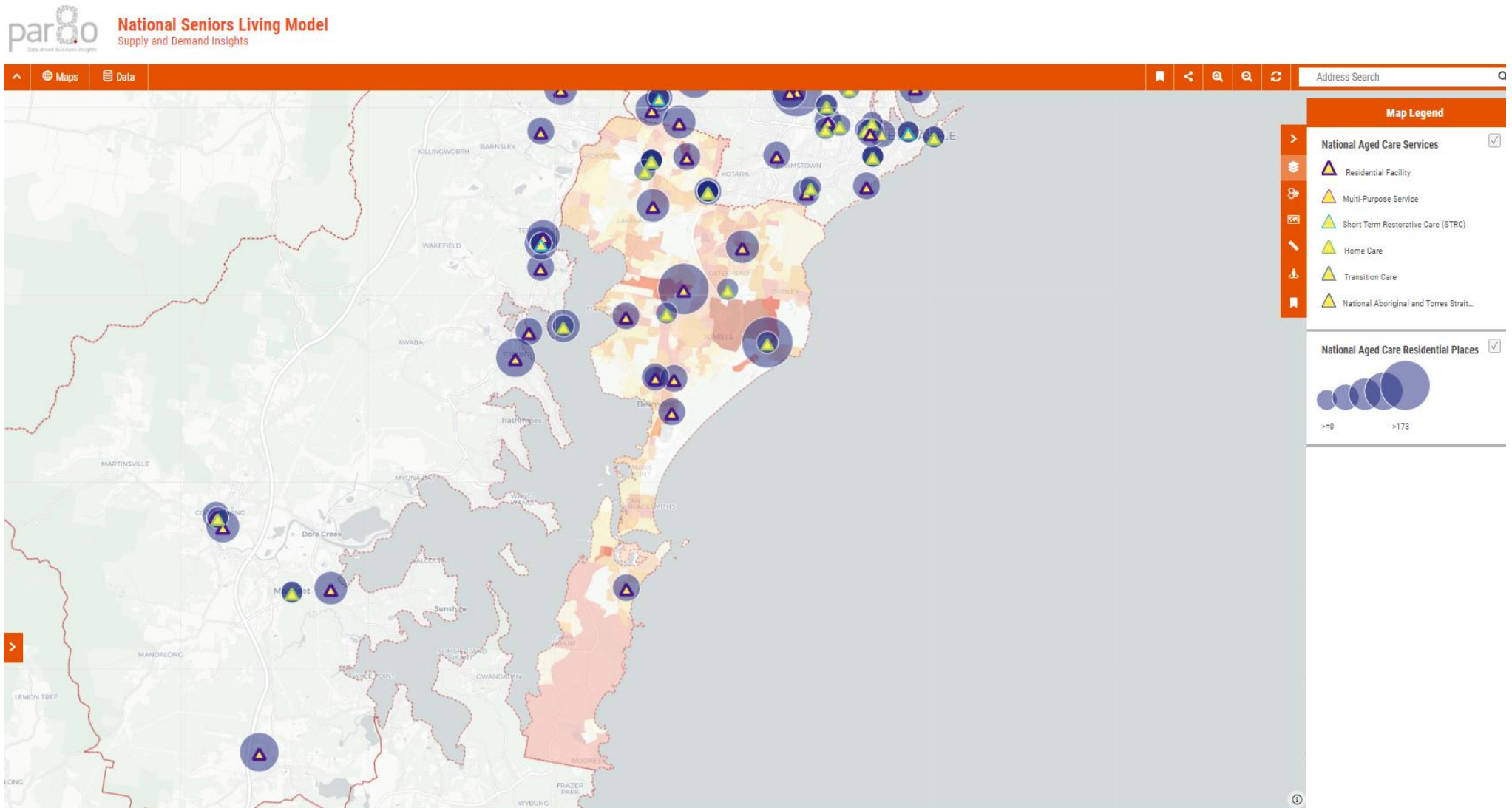
The map below provides a cleaner street level view of the defined micro area of the North Sydney – Mosman SA3 worthy of further investigation based on the supply and demand insights provided by the Par8o National Seniors Living Model. This area is identified by the dotted black line and includes the private North Sydney Mater Hospital.
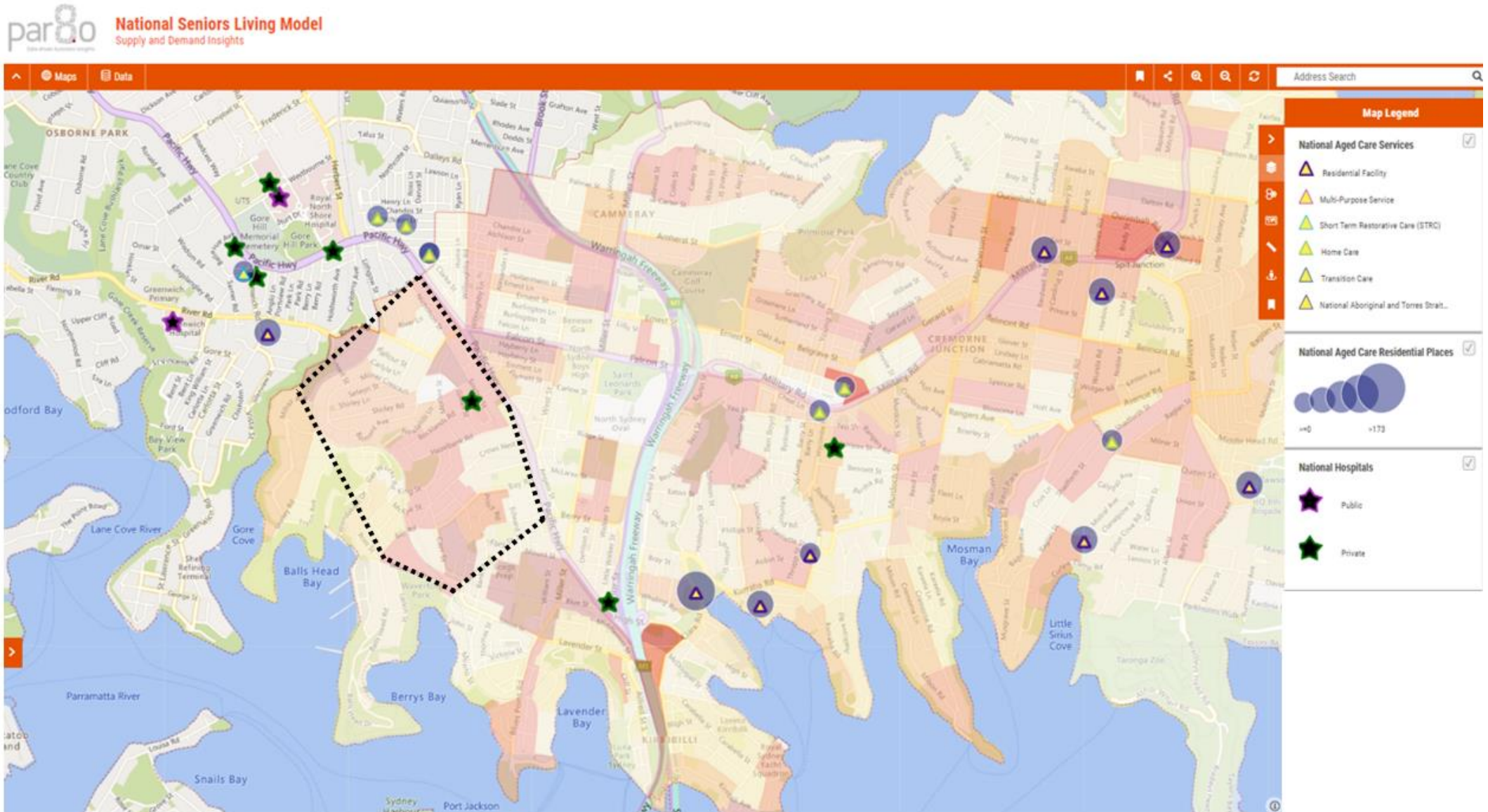
The map below identifies the Lake Macquarie – East SA3, located in coastal regional New South Wales.

- Each of the coloured shapes represent SA1 areas, or neighbourhoods, that contain between 200 and 800 people
- As the legend to the right of the map indicates, the colours define demand drivers - "Persons Aged 75+ by SA1" and "Ratio Females Aged 75+ by SA1"
- Visually, an SA1, or neighbourhood, coloured 'dark red' represents high demand for residential aged care services
- As the colour range scales down to lighter contrasting colours, the level of demand for the subsequent SA1s, or neighbourhoods, decreases
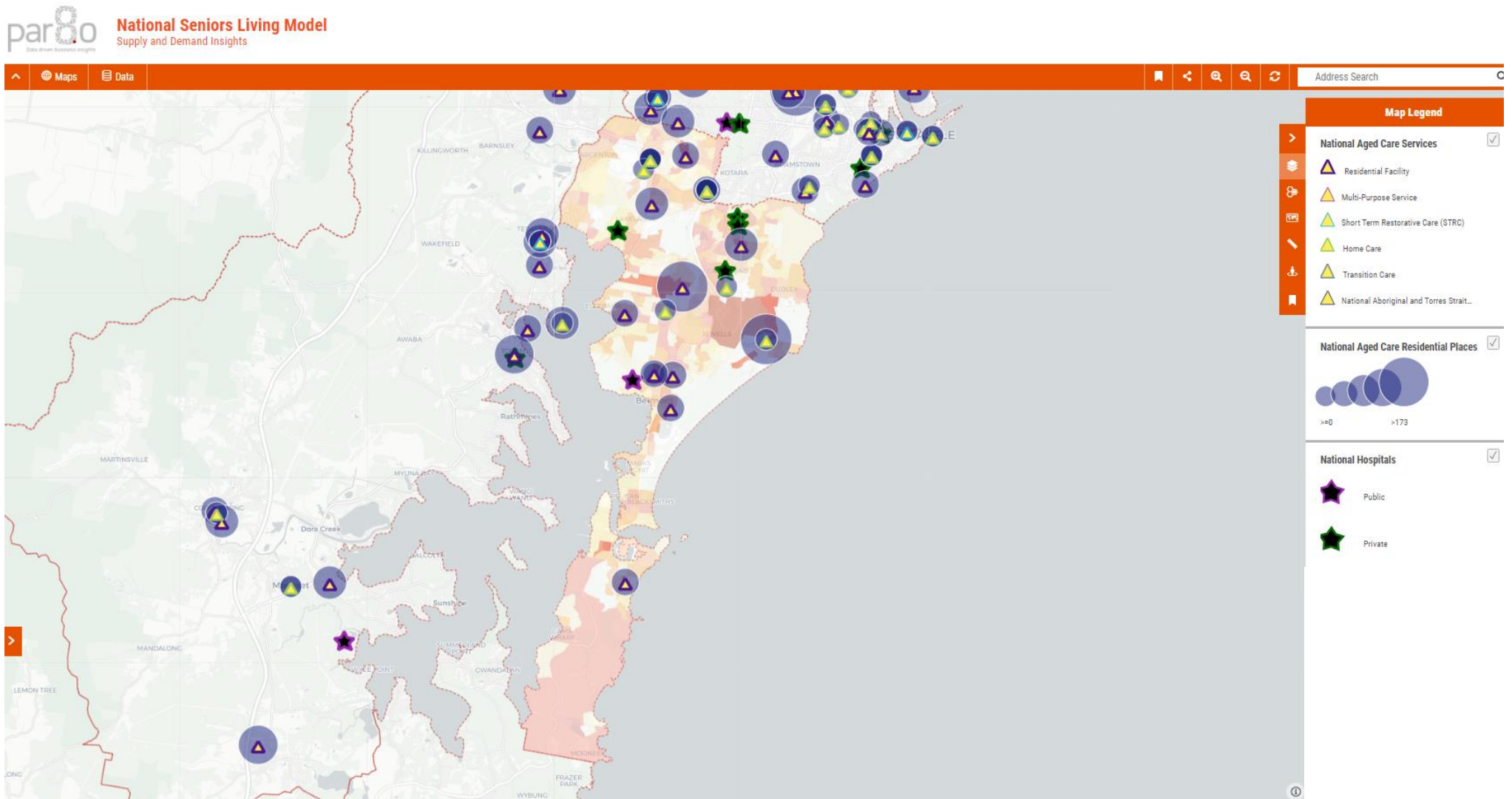
The map below builds upon the previous demand data overlaid for the Lake Macquarie – East SA3, by including existing aged care services supply

- Each of the yellow triangles represent a form of aged care service
- The differing types of aged care services are identified by coloured borders, as defined by the legend to the right of the map
- Residential aged care supply is identified by a dark blue border, plus a circle that scales in size based on the number of residential places provided
- Residential aged care supply is also mapped for neighbouring SA3 areas to help contextualise the wider supply environment
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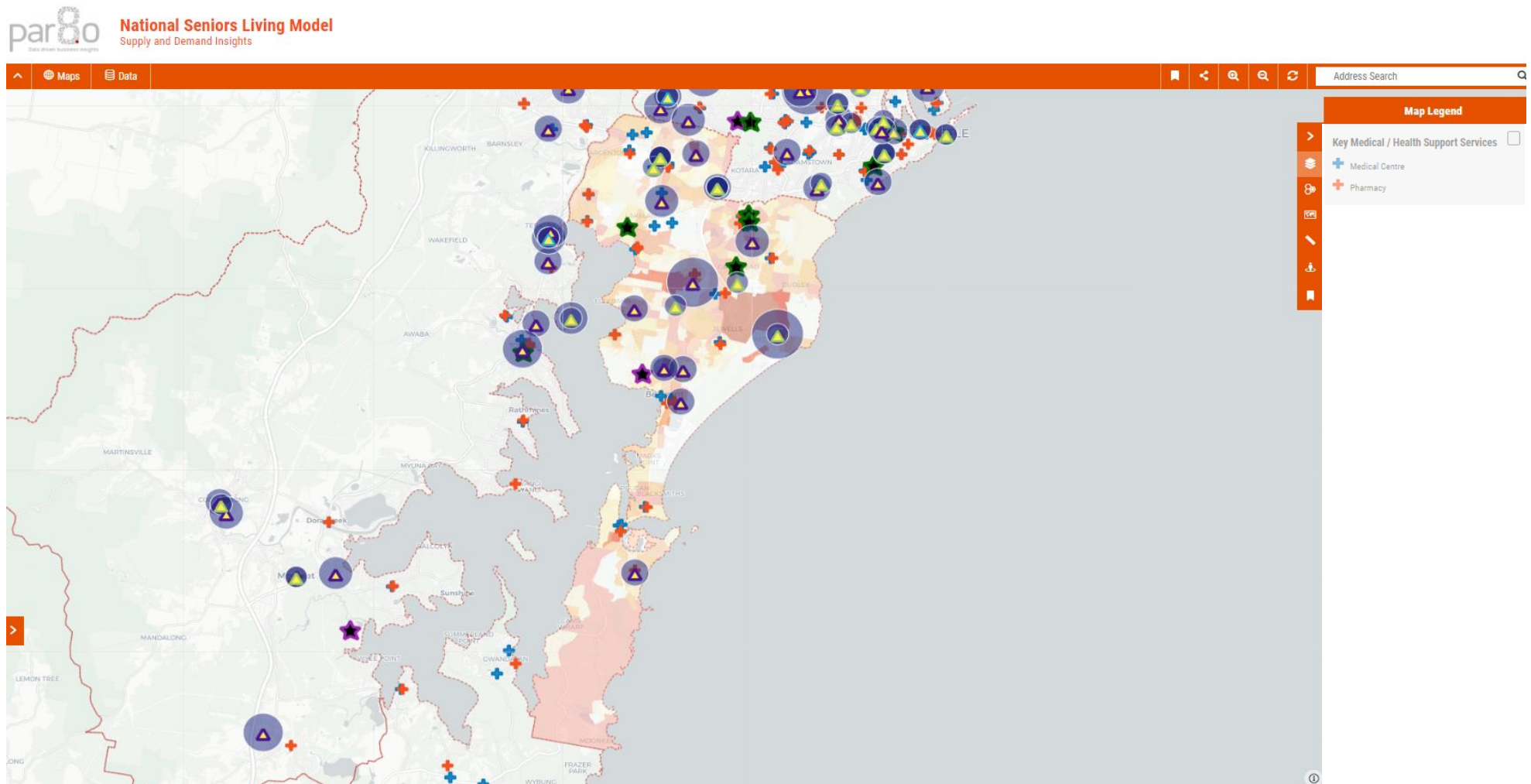
The map below builds upon the previous demand and supply data overlaid for the Lake Macquarie – East SA3, by including existing hospital supply

- Each of the black stars represent a hospital
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The map below builds upon the previous demand and supply data overlaid for the Lake Macquarie – East SA3, by including existing medical / health support services

- Each of the blue crosses represents a medical centre, and each of the red crosses represents a pharmacy, as defined by the legend to the right of the map
- Existing medical / health support service supply is also mapped for neighbouring SA3 areas to help contextualise the wider supply environment
- While not as critical as locating residential aged care in proximity to existing hospital infrastructure, the provision of existing medical / health support services remains a worthy consideration

The map below defines a micro area of the Lake Macquarie – East SA3 worthy of further investigation based on the supply and demand insights provided by the Par8o National Seniors Living Model. This area is identified by the dotted black line and includes the Warners Bay Private Hospital operated by Ramsay Healthcare. It is worth noting, the SA1 at the bottom of the region-coloured red encompasses a large geographical area; consequently it does not contain an appropriate population density. In contrast, the micro market identified contains multiple SA1s or neighbourhoods located in close proximity to each other; its population base is therefore significant. Utilising the Par8o platform online, as it is ultimately intended, recognises these nuances in catchment areas that are critical for accurately identifying the strongest market opportunities.
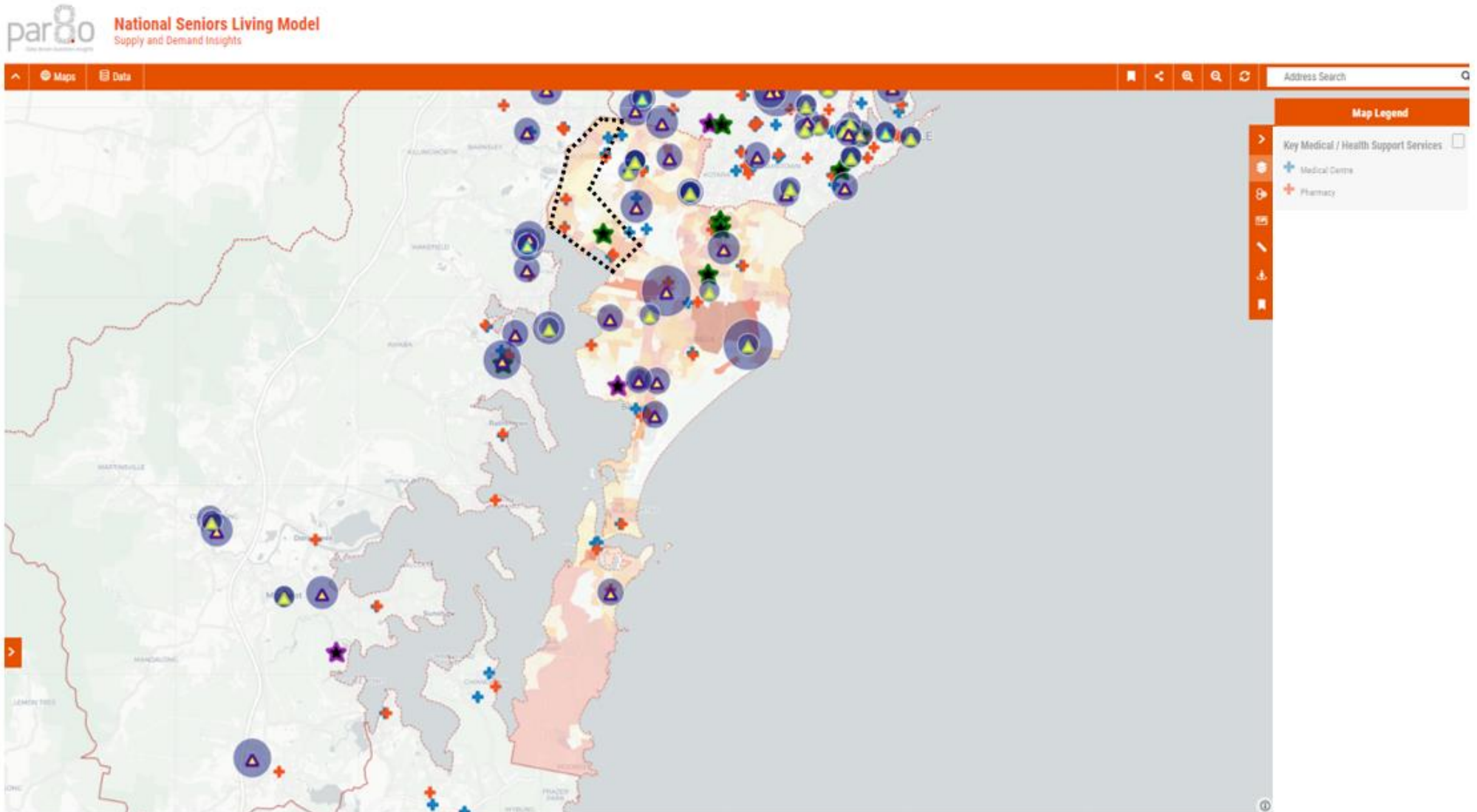
The map below provides a cleaner street level view of the defined micro area of the Lake Macquarie – East SA3 worthy of further investigation based on the supply and demand insights provided by the Par8o National Seniors Living Model. This area is identified by the dotted black line and includes the Warners Bay Private Hospital operated by Ramsay Healthcare.
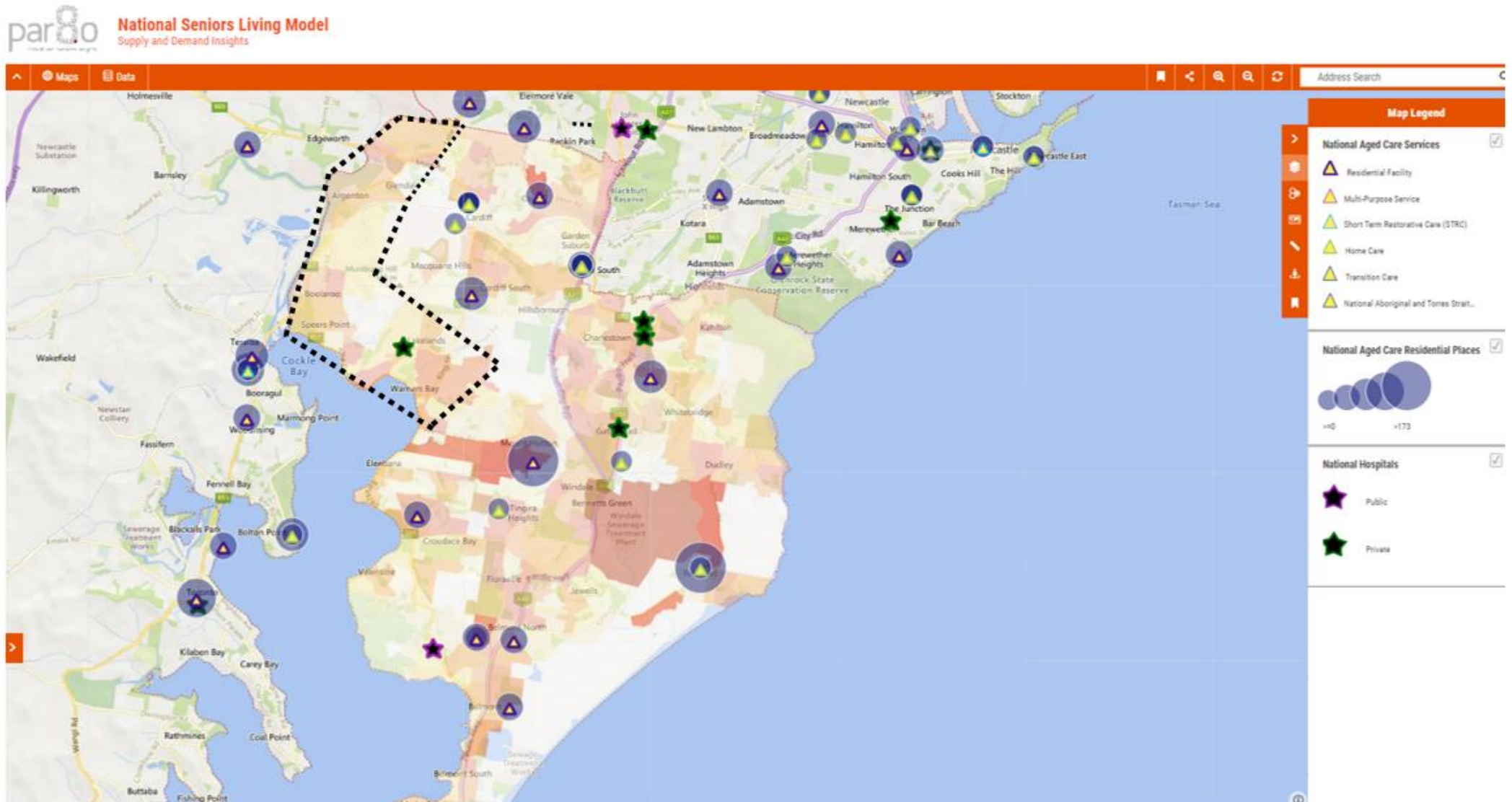
About Par8o

The **Pareto principle** is also commonly known as the **80/20 rule**.

It states that that, **for many outcomes, roughly 80% of consequences come from 20% of causes (the "vital few")**.

The Par8o name, brand and offering is a direct reference to the Pareto principle.

WHAT: Par8o answers the "80%" of market opportunity questions quickly; providing people more time to focus on the higher value "20%" activities for feasible opportunities only.

HOW: Par8o uses geo-spatial (digital mapping) tools / locational intelligence to quickly transform many data points into actionable insights.

WHY: Par8o enables timely, accurate and commercially aware decision-making for businesses and their people; it provides them with a competitive advantage.

For further information, please visit **www.par8o.com.au.**

Who Benefits from Par8o

"Real Asset Management (RAM) engaged Par8o to develop a National Mental Health Supply and Demand Platform. This platform, and its bespoke supply and demand indices, identifies areas nationally where a need exists for new and improved mental health facilities. This platform adds value to both our development business, plus our operational partners, by ultimately assisting in the delivery of better mental health outcomes for those in greatest need".

Sam Wood – Director, Asset Management – RAM

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Data driven business insights
Transforming today's data for tomorrow's success

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