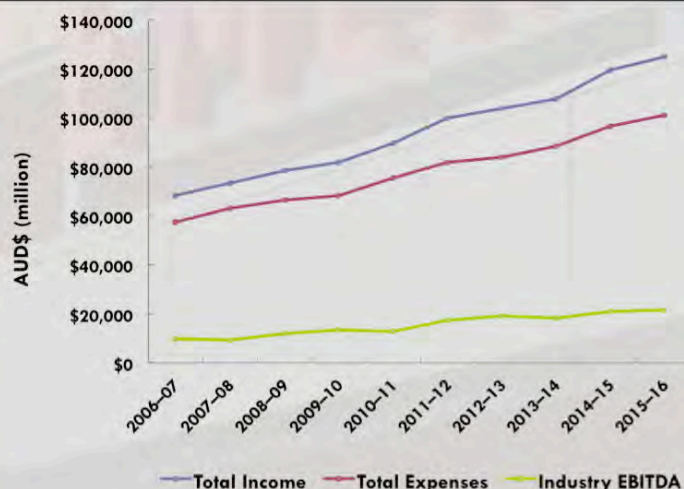


# HOW WILL Healthcare and Social Assistance PERFORM IN 2018?

A JPABUSINESS 2018 INDUSTRY ECONOMIC SNAPSHOT

## Australian Healthcare and Social Assistance industry performance 2006/07-2015/16

Source: ABS/JPAbusiness



## BACKGROUND

- The industry has shown positive growth in revenue and new business over the past five years.
- Aged care residential, child care, chiropractic/osteopathic, community services and personal welfare services have all been major contributors to industry growth.
- Growth in aged care residential services has been boosted by increased product offerings (i.e. different lifestyle accommodation options and additional services) and the move to a market-based/consumer-driven system.
- Child care services have been the largest contributor to growth in this sector as increased government assistance for formal child care arrangements has increased.
- Chiropractic and osteopathic services growth has been driven by private healthcare coverage, which has expanded to include these services.
- Community services have been driven by an ageing population and demand for child care services.
- Personal welfare services have been boosted by the ageing population, community care and the focus on in-home services. Growth has also been supported by increased government funding for welfare providers.



## OUTLOOK

- Sector growth is expected to increase over 2018 and is anticipated to be sustained in the long-term. Number of new businesses operating in the industry also expected to increase.
- Major contributors to this growth likely to flow from demand for aged care and child care services, and personal welfare services.



## DRIVERS OF INDUSTRY GROWTH

- Baby Boomers are currently in their 50s to 70s and will likely provide a significant contribution to industry growth as demand for aged care services increase.
- An increasing population may also support healthcare services across the board.
- Higher fees and increased government funding of healthcare services (child care, chiropractic and osteopathic, personal welfare) likely to contribute further to industry growth.
- Government support and investment into healthcare services and infrastructure likely to support industry growth.
- A growing younger population will likely increase demand for child care services.
- Community and in-home welfare services growth likely to significantly contribute to personal welfare services sector.
- Growing health consciousness will also continue to support growth in preventative medicine.



## RISKS TO INDUSTRY GROWTH

- Changing government policy may mean certain areas within healthcare that have grown rapidly could lose out on their portion of the healthcare budget.
- Rising premiums in health insurance are expected to drive revenue growth in 2018 but may cause some people to 'drop out' or downgrade to lower levels of healthcare cover.