

You won't help new
shoots grow by
pulling them up
higher – Chinese Proverb

Developing aged care business in China
Janet Spouse AAWS – September 2018
PMI Presentation



澳维信老年康护
AAWS Elder Care

Introduction

- New perspective
- Ageing Well Services Business Development in China
- 'You won't help new shoots grow by pulling them up higher' – Chinese Proverb





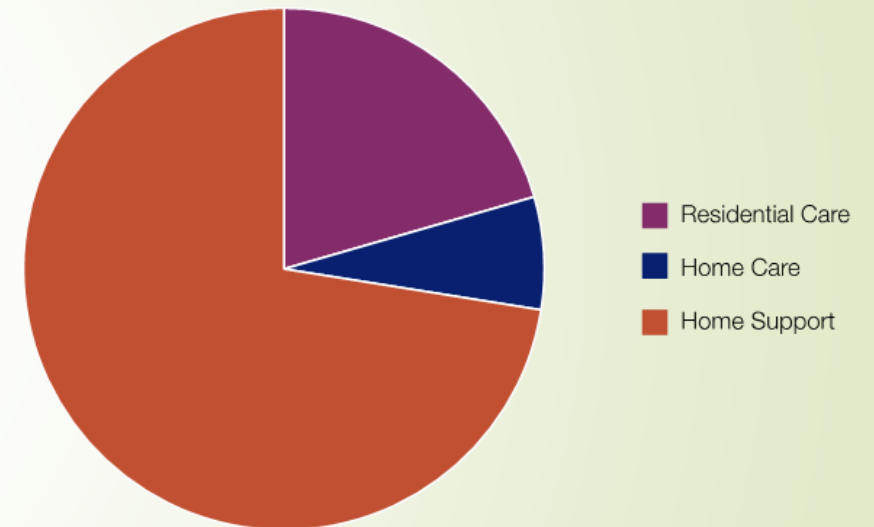
Video



Australian Aged Care

At 30 June 2017 there were:

- 266,700 residential care places
- 97,500 home care places
- 722, 800 people receiving Commonwealth Home Support Program services
- Total 1.08 m people
- Total Population over 70 was 2.6 m
- Total Population over 75 was 1.6 m





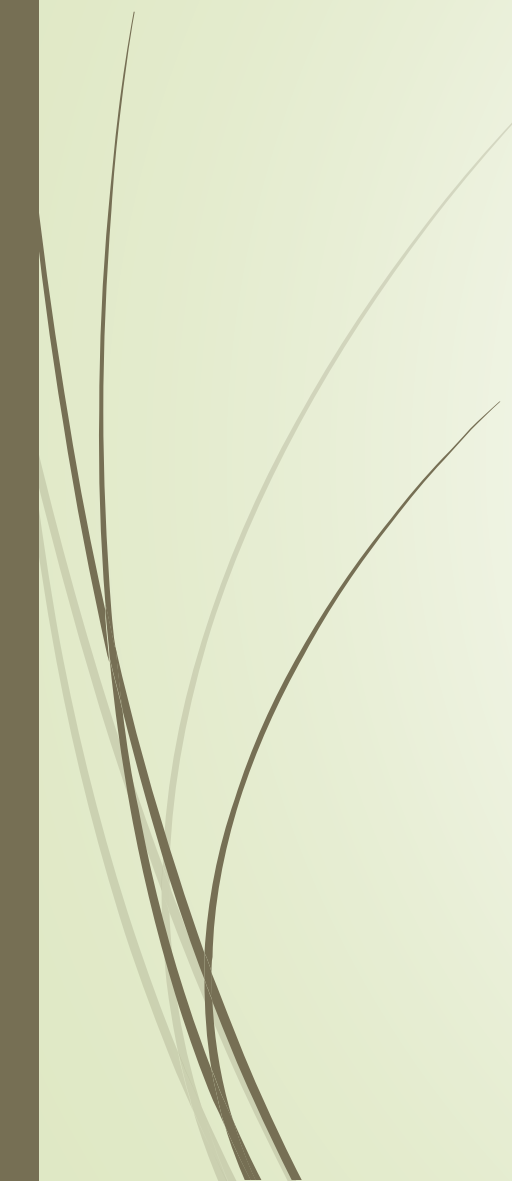
Australian Residential Aged Care

- Care revenue – average of \$252 per resident per day
 - Commonwealth share 75.5%
 - Consumer share 24.5%
- Costs – average of \$246 per resident per day
- And likely to get worse

- Average cost of a bed in acute care \$1,500 per day



Challenges in Residential Aged Care

- 
- Increasing consumer expectations – Baby Boomers
 - Consumer engagement – Consumer Directed Care
 - Maintaining qualified and trained staff
 - Complex care requirements
 - Ensuring financial sustainability
 - Maintaining high occupancy
 - Ensuring buildings & environments meet consumer care needs and expectations
 - Rigorous compliance expectations and shrinking resources to manage

Initial concept

- Looking for Alternative Business Opportunities
- City of Charles Sturt – Yantai Shandong connection
- Aged Care interest
- Australian China Aged Care Consortium



Why this Market

➤ Population

	2015	2030	2050
Total	1.38 b	1.42 b	1.34 b
Over 60	209 m	358 m	494 m
Over 80	22 m	41 m	120 m

- One Child Policy 1978-2015
- Life expectancy
 - 44.6 y 1950-55
 - 76 y 2015- 20
- Government policy



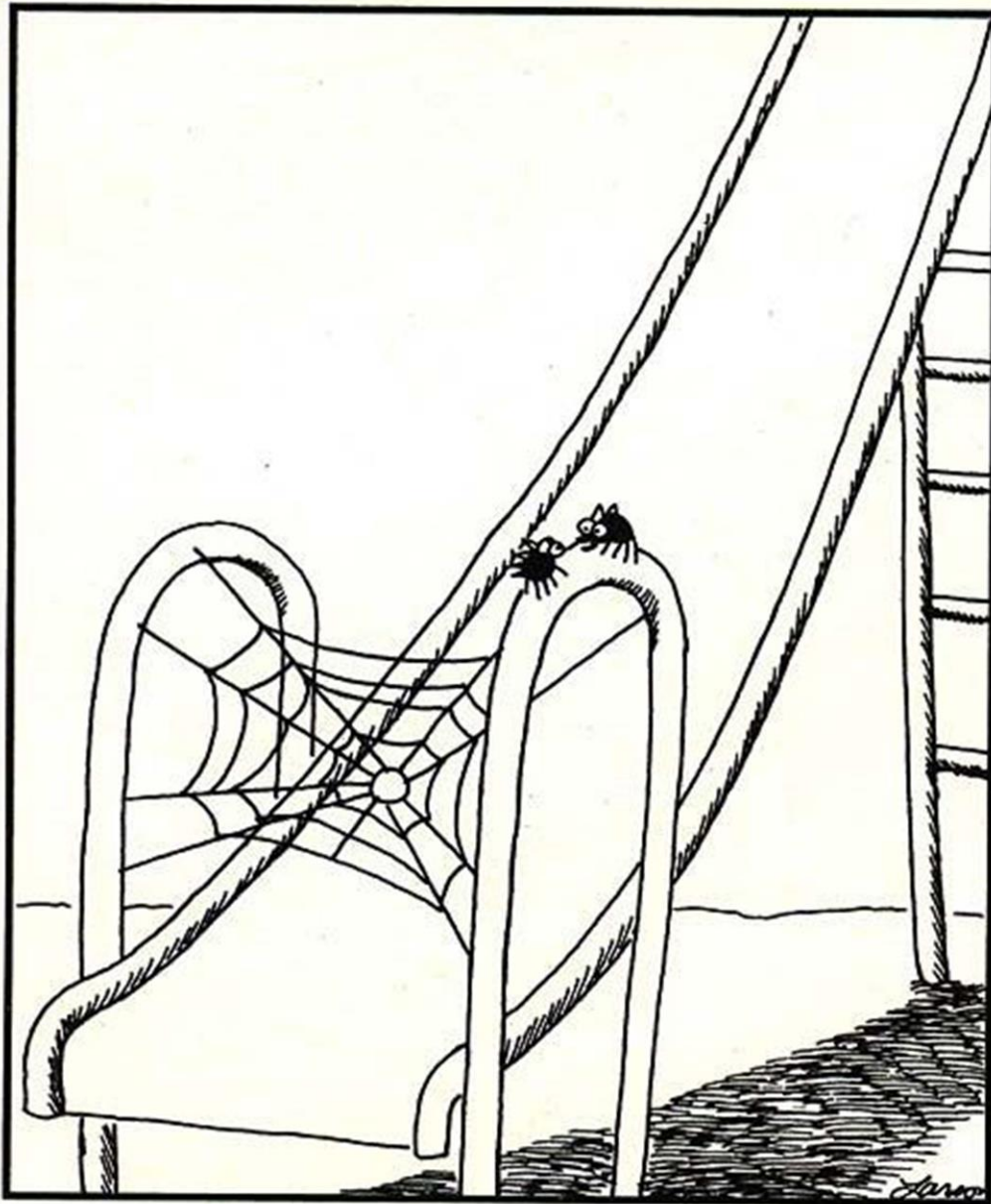
Market entry

- Trade mission 2016 April
- Independent Visit
 - August 2016 - link to Trade Mission
 - October 2016
 - December 2016
 - February 2017
 - May 2017 - Trade Mission
 - October 2017 - Expo
 - January 2018
 - April 2018
 - August 2018
- Investment Development Board
- Government enterprises
- Entrepreneurs



Market Potential

- The third visit October 2016 – the OMG Moment



“If we pull this off, we’ll eat like kings.”

Trade missions



- By the May 2017 visit we were starting to get wise to trade missions

First contract



Building a company

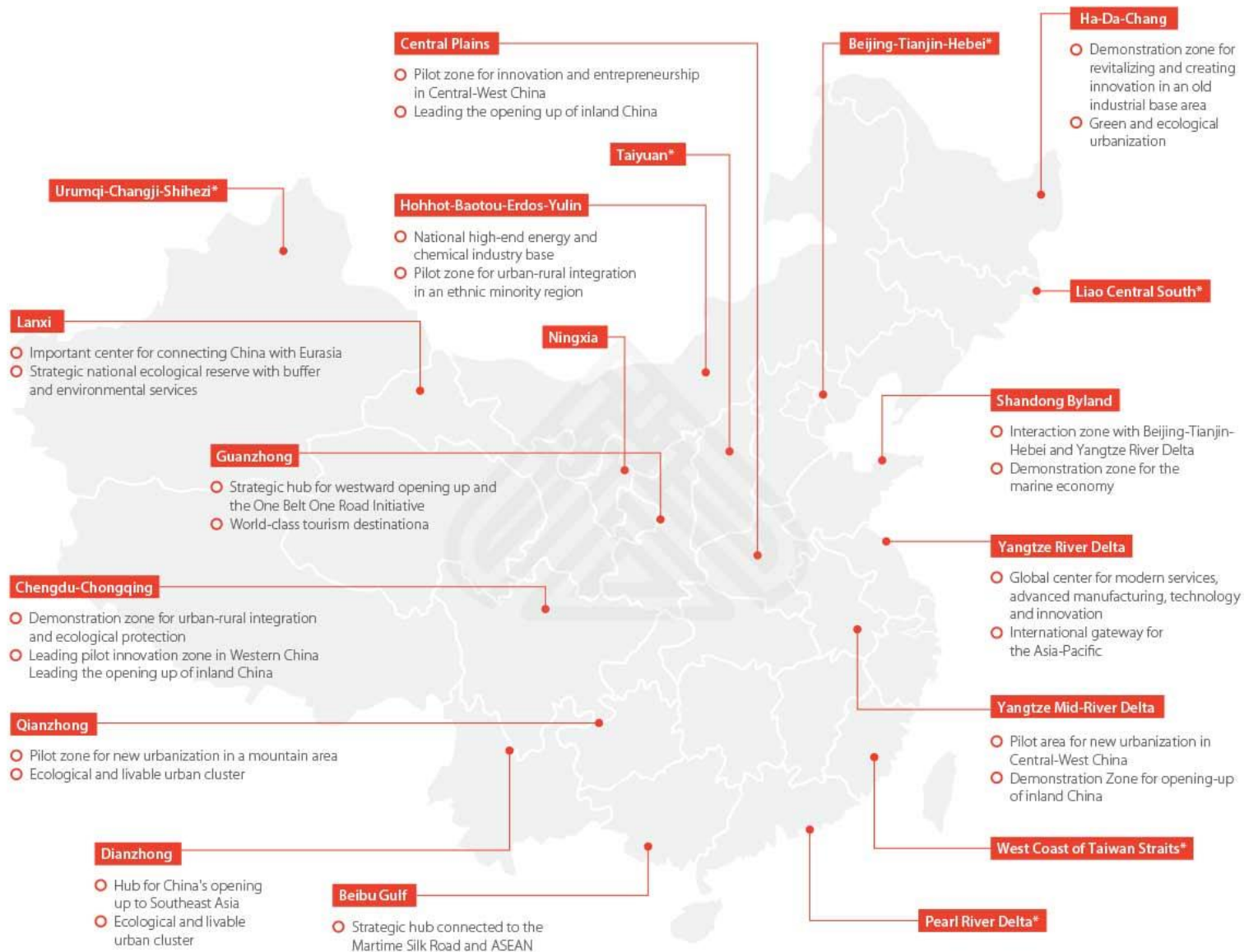


The big dip - January 2018



Understanding the market better

China's City Cluster Plan

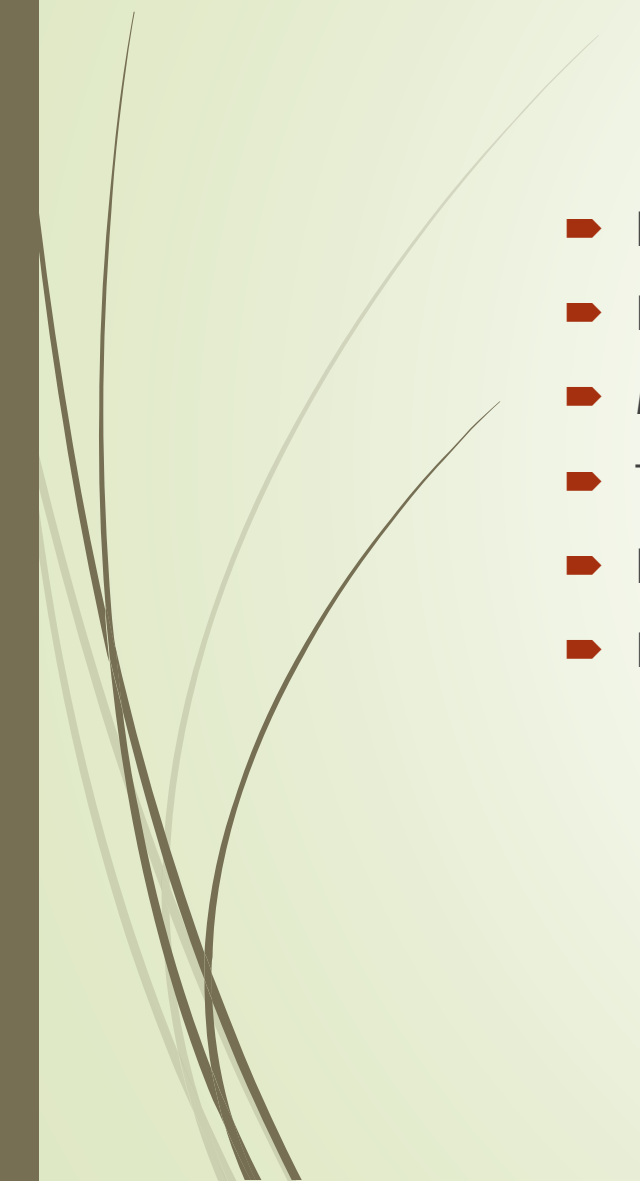


*Plans are not yet finalized

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Reinvented a long term vision

- Put in place a revised strategy
 - Review the business plan
 - Maintain momentum
 - Tighten core offering while staying flexible
 - Expand market options
 - Reconsider the resource allocation
- 



Networking



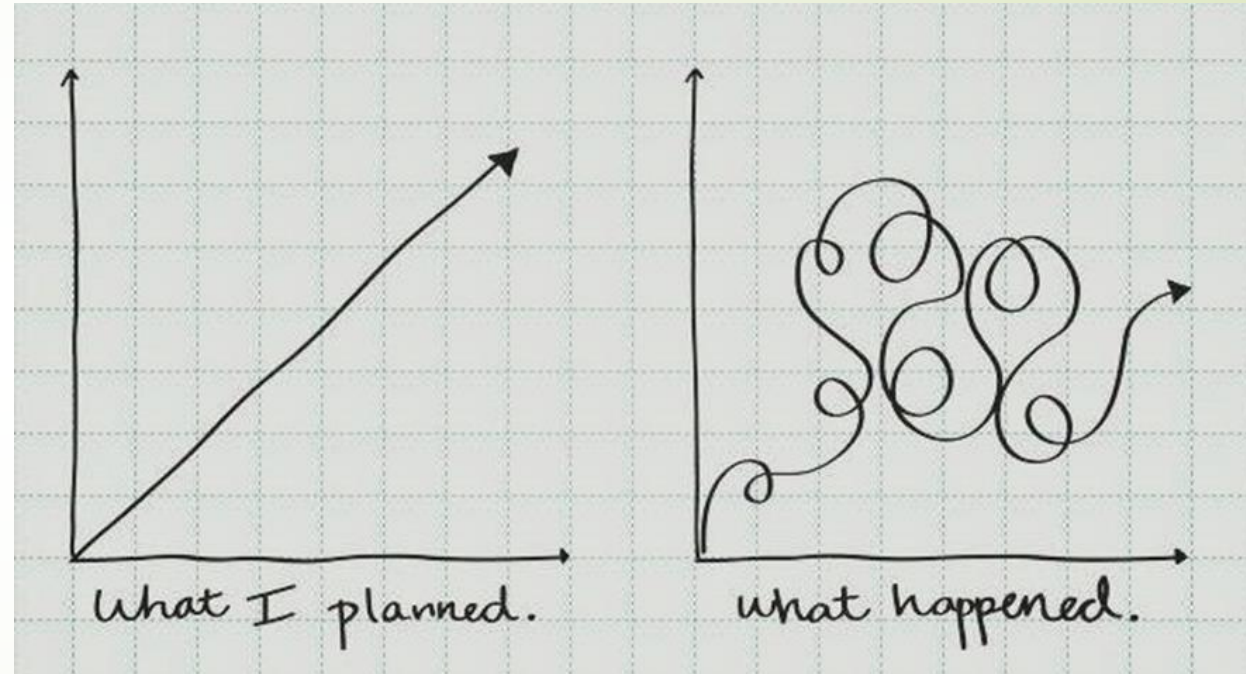
- In Australia
 - ACACC
 - AWI
 - Government
 - Chinese Business Contacts Australia
- In China
 - DTTI
 - Austrade
 - Chinese Govt Departments

Juggling the balls



Project Management

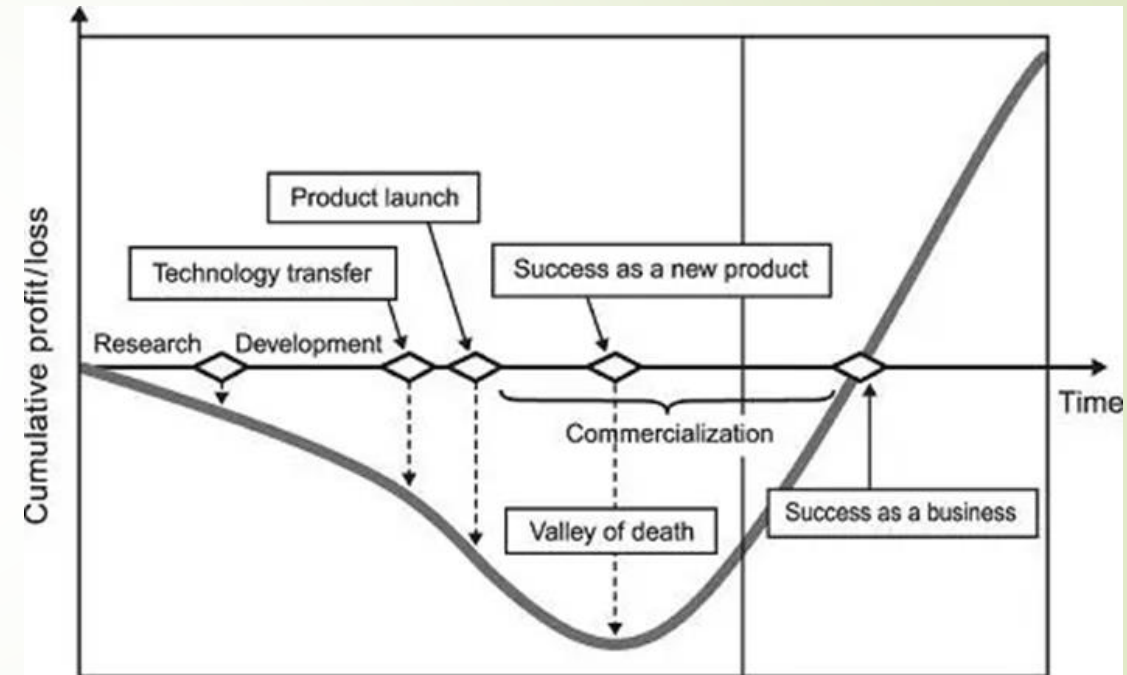
- Challenges
 - Start up was uncertain
 - Changing agenda and goals
 - Business responsiveness
- Multiple projects
 - Short time frames
 - Poorly resourced
- Developing a formal plan



Lessons learnt

You must be prepared to

- Develop contacts
- Travel often
- Be really flexible
- Develop cultural awareness
- Understand business practice
- Understand Chinese relationship between government and everything
- Expect your plan to be like a birth plan
- Accept that it is not easy



Osawa and Miyazaki 2006

The future

- Find enough income to float
 - Travel – seminars and Business Development
 - Finding creative win-win solutions
 - Explore new markets
 - Stay confident
- And we have to remember that:
You won't help new shoots grow by pulling them up higher





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