

Building a healthy region

Delivering South East
Queensland's health future



August 2024

Building a healthy region – fast facts

The 'Building a healthy region' report defines, explores and develops metrics and benchmarks from which market gaps can be identified, tested and opportunities optimised.

To meet population demands between now and 2046 South East Queensland will need:

11 to 12

new public hospitals¹



17 to 18

new private hospitals¹



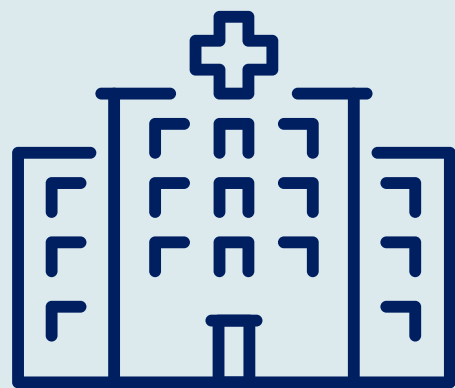
11

new residential mental health care facilities¹



27

new day hospitals¹



70 to 80

new medical centres²



¹ This includes projects that are planned but not yet delivered

² At least 21,800sqm of additional medical centre space (using the minimum 12m² per consulting room per GP practice layout by Royal Australian College of General Practitioners -RACGP), assuming an average 250m² per medical centre, this equates to 87 or so centres by 2046.



Executive Summary

The 'Building a healthy region' report measures the significant investment in health infrastructure needed to support South East Queensland's growing population over the coming decades. This piece of research follows the release of the Property Council's June 2022 report 'Social Infrastructure - Health and Education as an Asset Class within SEQ'.

The 2023 South East Queensland Regional Plan has projected the region's population to grow to six million by 2046 with almost 20 per cent or 1.2 million of those people to be aged 65 or over.

To support the needs of this population boom, South East Queensland will require more dwellings, facilities and services - in particular more hospitals, mental health facilities and medical centres are required to ensure a healthy region.

This report has found that servicing this growth will require at least¹:

- 11 new public hospitals
- 17 new private hospitals
- 27 new day hospitals
- 11 new residential mental health care facilities
- 70 new medical centres

Whilst the government has committed record investment through its 'Health Big Build' a lack of coordinated planning for the infrastructure needed for a healthy region remains a significant barrier.

Delivering the critical projects needed for South East Queensland is not just the responsibility of the government - **the private sector is providing 30 per cent of the \$10 billion of investment into pipeline projects** - in fact almost 60 per cent of hospitals in the region are non-government.

Unfortunately, the financial feasibility of private hospitals has become increasingly volatile, with increased construction costs challenging the feasibility of new projects, while increasing operating costs are making it more and more difficult for hospitals to continue delivering health services.

The pressures being experienced by the

private health sector are evident in the more than 70 private hospitals that have closed in Australia over the last five years (Source: E&P Capital, APHA). The closure of these facilities exacerbates the pressure on the public health system and in turn taxpayers who are required to fund the health services gap.

This report highlights the importance of coordination across the public and private health sector in servicing the needs of the community and reinforces the need to support the private health sector to alleviate pressure on government-delivered health services.

There are five recommendations included in the report that are essential to securing South East Queensland's future:

- Ensure health workers have access to housing close to health infrastructure
- Remove the tax barriers to private investment in health facilities
- Develop a coordinated long-term health infrastructure plan in partnership with the private sector
- Increase the amount and visibility of grant funding to help deliver the health infrastructure needed
- Fast track planning approvals for health infrastructure

The recommendations included in this report align with the Property Council's 'Be a Queenslander' election platform and include attracting the investment Queenslanders need, partnering with the private sector to deliver long-term planning and infrastructure certainty and delivering the housing needed to support Queensland health workers and other frontline services.

The challenges identified in this report provide cause for alarm and show the need for urgent action.

Building a healthy region will require meaningful collaboration from the public sector with the private sector.

¹This includes projects that are planned but not yet delivered

Social infrastructure: A property giant

“Comprised of the facilities, spaces, services and networks that support the quality of life and wellbeing of our communities. It helps us to be happy, safe and healthy, to learn, and to enjoy life. The network of social infrastructure contributes to social identity, inclusion and cohesion and is used by all Australians at some point in their lives, often on a daily basis. Access to high-quality, affordable social services has a direct impact on the social and economic wellbeing of all Australians.”

- The Australian Infrastructure Audit 2019 definition of social infrastructure.

Critically, the National Skills Commission projects between 2021 and 2026, over 450,000 jobs - 38 per cent of the total five-year employment growth - will have been created in the healthcare and social assistance and education & training industries.

With a pipeline of more than \$12 billion in health and education projects across South East Queensland alone, social infrastructure through the lens of the health and education sectors has the potential to deliver significant commercial returns while at the same time contributing to social wellbeing for the South East Queensland community.

Almost 2 million additional residents are looking to call South East Queensland home between 2023 and 2046, generating considerable opportunities for both public and private sector investors, developers and operators in delivering, operating and managing the network of facilities required to cater to the wellbeing of the growing population.

An additional 1.9 million residents in South East Queensland by 2046 is over 500,000 more people than the total Greater Adelaide population in 2023.



South East Queensland framework

The South East Queensland region is a hub of investment and economic activity comprising of 12 Local Government Areas (Figure 2.1), a population of almost four million in 2023 and economy worth more than \$170 billion.

South East Queensland is a strategic pilot region to identify, test and explore metrics and market opportunities within the health sector.

In 2023 more than 72 per cent of the state's population called South East Queensland home, between 2011 and 2023 the region's population increased by more than 845,000 or 70,000 additional residents each year.

A further 1.9 million people are expected to call South East Queensland home by 2046 -

Figure 2.1: Shaping SEQ 2023 - SEQ Region Map



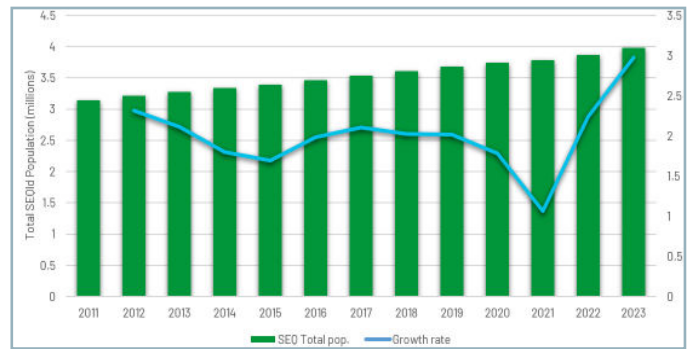
Source: ShapingSEQ 2023 Maps

approximately 85,000 new residents a year.

This projected population growth brings with it significant implications for the additional dwellings, facilities and services needed to support the region, including the infrastructure behind the health and wellbeing of the community.

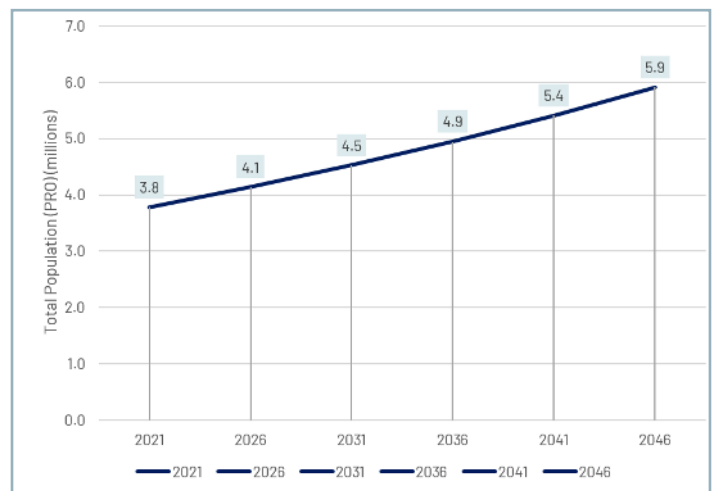
Some **49 per cent** of the \$9.3 billion in health and education pipeline projects in 2022 were proposed and delivered by the non-government and private sector, reflecting significant ongoing investment opportunities and market gaps in the provision of the critical social infrastructure required to support Queensland's growing population.

Figure 2.2: SEQ Population 2011-23



Source: Urban Economics, ABS

Figure 2.3: SEQ Projected Population, 2026-46



Source: Urban Economics, ABS

Healthcare definition

“A complex mix of service providers and other health professionals from a range of organisations – from Australian and state and territory governments and the non-government sector. Collectively, they work to meet the physical and mental health care needs of Australians.”

- The Australian Institute of Health and Welfare (AIHW).

More than **122,500** workers across Queensland in 2021 were employed in Hospitals; **5 per cent** of the State’s total workforce.

Whilst the population of the State increased by **16.5 per cent** between 2011 and 2021, the number employed within hospitals in Queensland increased by a staggering **49 per cent** over the same period.

Across South East Queensland this was equivalent to **91,600 workers** in hospitals, making up 5.4 per cent of the region’s total workforce and **75 per cent** of all hospital workers in Queensland.

An ageing population, increased emphasis on wellbeing and wellness, and ongoing population growth generally combine to necessitate investment and activity in healthcare services, provision, research and development.

Key metrics employed to measure and monitor infrastructure within the healthcare sector are highlighted in Table 3.1.

Table 3.1: Healthcare Sector demand/supply key metrics

Key infrastructure	Demand metric	Supply metric
Hospitals		
Public	Admissions	Number of beds
Private	Admissions	Number of beds
Satellite hospitals	Minor Illness and Injury Clinic (MIIC) presentations	Number of Minor Illness and Injury Clinics (MIIC)
Residential mental health centres	Episodes per cent of population	Number of beds
Medical centres	Medicare - General Practitioner attendances	General practitioner workforce
Diagnostic imaging	Medicare - General Practitioner attendances	Number of centres

Source: Urban Economics

Existing network

Across South East Queensland, there are 25 public and 37 private hospitals (Mater Hospital Brisbane, Mater Children's and Mater Mothers' included in private sector), together comprising **14,700 beds** and **91,600 workers**.

With a population of 3.984 million across South East Queensland in 2023, this represents a

current ratio of **465 persons per public hospital bed** and **644 persons per private hospital bed**.

Admissions as highlighted in the following Table include multiple and frequent re-admissions, based on data reported by the Australian Institute of Health and Welfare (AIHW 2022/23).

Table 3.2: South East Queensland public/private hospitals - 2022/2023

South East Queensland	Admissions	Beds	Per cent of population admitted	Population per bed
Public hospitals	1,122,057	8,568	28.2 pc	465
Private hospitals	953,194	6,189	23.9 pc	644
Total	2,075,251	14,757	52.1 pc	1,109

Source: Queensland Health, AIHW, 2022/2023

Satellite hospitals

Six of the seven commissioned state Satellite Hospitals in the South East Queensland region are operational, including the recently opened facility at Eight Mile Plains.

These outpatient public facilities are intended to support the hospital and medical centre network, providing Minor Injury and Illness Clinic (MIIC) services, diagnostic, medical imaging and referral services, and are distinct from day

private hospital clinics and centres.

Presentation rates recorded at the operational facilities to date are highlighted in the following table based on presentations to March 2024.

As at March 2024, Satellite Hospital indicators reported 50,309 Minor Injury and Illness Clinic presentations across varying degrees of urgency (Categories 1-5).

Table 3.3: MIIC presentations at Triage Category (Cat 1 most urgent – Cat 5 least urgent)

Facility name	Category one	Category two	Category three	Category four	Category five	Total
Caboolture Satellite	6	326	2,098	7,470	2,943	12,843
Redlands Satellite	16	319	1,672	6,313	2,664	10,984
Ripley Satellite	5	488	3,345	8,451	1,563	13,852
Tugun Satellite	4	279	1,582	3,008	830	5,703
Kallangur Satellite	9	295	1,837	4,161	625	6,927
Total	40	1,707	10,534	29,403	8,625	50,309

Source: Queensland Government, 2024

Existing network

Day hospitals

In South East Queensland there are 56 operational private day hospitals across the region comprising 450 beds/chairs and offering an array of specialist and general health services including endoscopy, ophthalmology, cancer services, dialysis, skin clinic, cosmetic and fertility treatments and procedures, together

with the state government operated Varsity Lakes Day Hospital.

Existing private day hospitals represent an average of eight chairs per hospital and an average of 8,850 residents in South East Queensland per private day hospital.

Mental health facilities

Across South East Queensland there are 23 residential mental health care facilities - including residential for dependency and abuse disorders - supporting 1,169 beds with an average of 50 beds per facility.

The mental health epidemic is challenging the resourcing and support infrastructure to support the wellbeing needs of South East Queensland residents.

With two in five Australians aged 16-85 years experiencing a mental health disorder at some point in their life, by 2046 without further intervention and strategies to address mental health challenges, more than 800,000 additional residents of South East Queensland are likely to experience some level of mental health disorder in their lifetime.

Mental health and suicide costs the Australian economy approximately \$220 billion each year, and the Productivity Commission Report on mental health estimated that a \$4.2 billion investment by the Federal Government in mental health would save approximately \$20 billion per annum; a fivefold benefit.

Investment in additional residential care and mental health care beds would have a significant and protracted impact on the South East Queensland economy and wellbeing of the community.



Three episodes per 10,000 persons



1,142 beds



62 Days Average Length of Stay

Existing network

General practice

General practices and medical centres are identified generally as health centres offering diagnoses and other medical treatments predominantly for outpatients.

Data on registered health practitioners including general practitioners providing some form of primary care in various 'Job Areas' (i.e. medical centre/general practice) are collated annually

by the Australian Health Practitioner Regulation Agency (AHPRA) and made available on the National Health Workforce Dataset (NHWDS).

In South East Queensland there is an average of 870 residents per General Practitioner with an average of 6.5 visits per annum for residents in South East Queensland.



4,564 General Practitioners



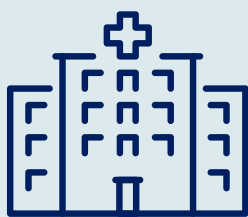
6.5 General Practitioner attendances per person

Diagnostic Imaging

With the exception of 23 state-run Queensland Xray facilities, 83 per cent of South East Queensland's Diagnostic Imaging centres are privately owned – there are 28,000 residents per

diagnostic imaging facility across South East Queensland.

Services provided include any form of radiography, CT/PET/MRI scans and ultrasounds.



143 centres in South East Queensland



1.1 attendances per person

Source: AIHW, 2024



Existing network - summary

Public and private hospital bed turnover rate

Public



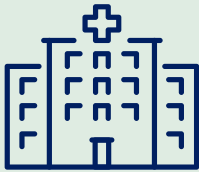
130 patients per bed

Private

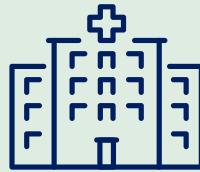


150 patients per bed

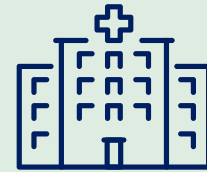
Minor injury and illness presentations across the six recently completed satellite hospitals as of March 2024



0.1 per cent were most urgent (category one)



50,309 presentations



58 per cent were not urgent (category four)

Residential mental health centres

Average length of stay in residential mental health centres



62 days

Ratio of beds to the number of mental health episodes



One bed per episode

Average visits per annum for South East Queensland residents



6.5 visits to general practitioners



1.1 visits to diagnostic imaging facilities

Project pipeline

In 2024 there continues to be strong investment into major healthcare projects with over \$10 billion of investment into more than 23 major public and private pipelines projects, planned, proposed and under construction in South East Queensland, including two mental health facilities.

A significant 30 per cent of this investment is private and non-government investment active and mooted within South East Queensland.

Pipeline projects - fast facts



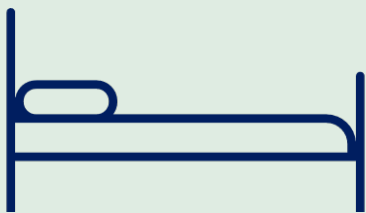
\$10 billion of investment



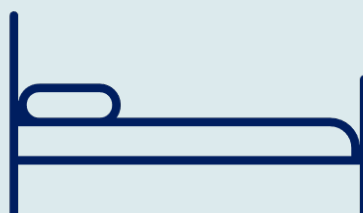
30 per cent private/non-government funded projects



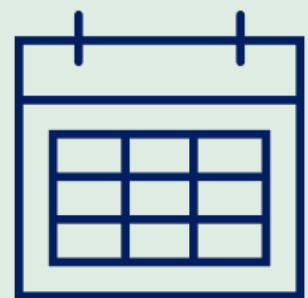
18,000 construction jobs



2,300 additional hospital beds



100 additional residential mental health care beds



Delivery mid **2024 - 2031**



Demand/supply gap modelling

Substantial additional investment in healthcare infrastructure will be required to maintain equitable access to healthcare for communities in South East Queensland.

A growth of some 1.9 million persons in South East Queensland to 2046 would at a minimum require:

Diagnostic Imaging Centres	Hospitals and Residential Mental Health Care	Medical Centre General Practitioner workforce
		
70 additional Diagnostic Imaging Centres	4,200 additional Public Hospital beds 3,000 additional Private Hospital beds 560 additional Residential Mental Health Care beds	2,200 additional General Practitioners

Source: AIHW, Queensland Health

This baseline applies the region’s current service needs and doesn’t account for any unmet need or growing health needs of an ageing community and wellbeing challenges of the mental health epidemic, and would represent¹:

- 11 to 12 new public hospitals
- 17 to 18 new private hospitals
- 27 additional day hospitals
- 11 additional residential mental health care facilities
- 70-80 new medical centres²



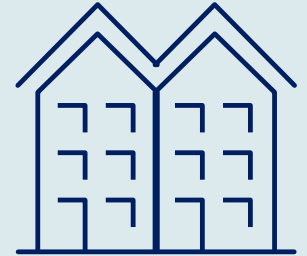
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²At least 21,800sqm of additional medical centre space (using the minimum 12m2 per consulting room per GP practice layout by Royal Australian College of General Practitioners -RACGP), assuming an average 250m2 per medical centre, this equates to 87 or so centres by 2046

Recommendations

The research confirms the role the private sector plays in the delivery of this critical asset and draws five key recommendations essential to securing South East Queensland's future.

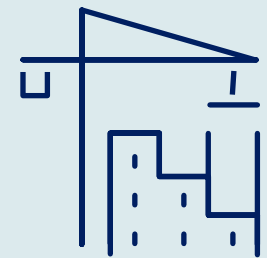
Recommendation one - Ensure health workers have access to housing close to health infrastructure by working with the private health sector to develop a state-wide housing plan that identifies the housing needed to support major health infrastructure.



Recommendation two - Remove any tax barriers to private investment in health facilities, including those that deter much-needed international investment.

Recommendation three - Work with the private sector to develop a coordinated long-term health infrastructure plan, including investigating:

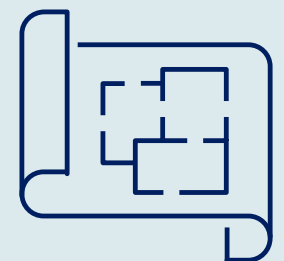
- Joint design and procurement opportunities
- Potential partnership and health precinct models
- Sequencing opportunities to relieve current construction challenges being experienced.



Recommendation four - Increase the amount and visibility of grant funding available to the private sector that continues to deliver the health infrastructure needed to support Queensland's growth.

Recommendation five - Fast track planning approvals for all (public and private) health infrastructure, including:

- Fast tracking the Ministerial Infrastructure Designation process
- Expanding the Queensland Government's State Facilitated Development process and Incentivising Infill Development Funding to private health projects.



This research was conducted by Urban Economics on behalf of the Property Council of Australia.

