



# Vita Curae

## Overview

### THE VITA VISION

Reshaping Australia's care industry by creating the places, pathways and support structures for all people to achieve optimal vitality and happiness.



## Foreword

Letter from the CEO,

I'd like to take this opportunity to introduce the exciting concept that we call Vita. This booklet is an introduction to Vita and our mission of building a network of integrated health and senior care precincts across Australia. Our vision is for Vita to be the vehicle that enables all people to achieve optimal vitality and happiness in their daily lives.

We have a strategy to achieve this vision through building great places tenanted by likeminded, best-in-field, health professionals. Professionals supported by an agile, socially responsible, centralised corporate structure and given access to a large, under serviced, market through a strong national brand.

Vita started as a concept born from the desire of two business people, Sunil Kumar and Peter Terrill. Two imagineers sitting across a table in mid 2017 with a vision reimagining what the health and care industry could be, and a conviction that Australian consumers deserve better outcomes from this industry.

Twelve months later Vita was founded, now we are tooled with cutting edge technology, access to great locations, and an assembly of thought leaders.

Our journey starts through our first five Vita Care Precincts in Victoria; Edgewater, Pakenham, Sunbury, Sunshine North, and Tarneit opening through 2019 - 2021. My core focus as Vita's CEO is to nurture partnerships, both capital and strategic, to co-create a model for Vita to offer scope to scale up our sites rapidly, and ultimately reshape the industry.

In 2018 we focused on building partnerships and strategy. Partnering with thought leaders in health and placemaking to answer the question all businesses need to solve around intrinsic value to the market 'Do we have a product?', these partnerships have led to opportunities both to co-create brands such as pharmacy and medical centres and has delivered agreements to operate across our first five sites. Our focus for 2019 is a continuation of strategy and partnership development, combined with executing upon a critical path from an operational delivery perspective.

Vita will look back on 2019 as it's coming of age, a formative year in which we will welcome our first patients and clinicians into our care precincts and complete our aging 2050 blueprint in preparation for opening market leading senior living and aged care sites in 2021.

I am often asked what is new about the Vita concept. While it is true that there are talented and caring medical, allied health and senior care practitioners within our industry with a focus on patient experience and wellbeing, they often exist within cottage businesses that do not have the scale to enable large amounts of us to achieve a state of optimal health & happiness Vita will provide that scale.

There is also no comparable offering that co-locates an integrated set of primary health and senior care facilities. As we introduce other differentiators and one percenters into our model such as; zero carbon senior living (see pages 6 & 7), health tech integrations, no cost CDMP program care panels etc. The outline of a very distinct concept takes shape.

[This is The Vita Difference.](#)

[Think Health,](#)  
[Think Care,](#)  
[Think Vita](#)

Warmest Regards,



Michael Cochrane  
Founder & CEO





# 01. The Vita Opportunity

## 1.1 Health Industry Overview

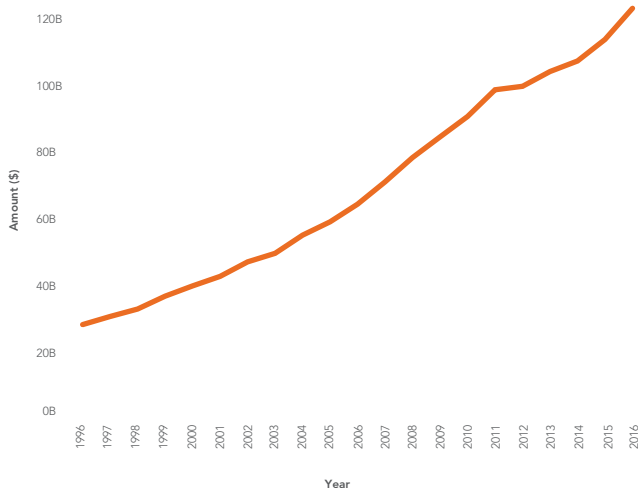
### HEALTH IS A RAPIDLY EXPANDING INDUSTRY

Spending on health in Australia has grown by about 50% in real terms over the past decade, from \$113 billion (\$5,500 per person) in 2006–07 to \$170 billion (\$7,100 per person) in 2015–16. This compares with population growth of about 17% over the same period.\* (source (Australian Government AIHW- Australia's health 2018).

Vita's target markets of Primary and Aged Care account for 44% of this spending. Based on Department of Health and Aging projections, the primary and aged care sectors combined will receive \$1,025 billion of funding between 2016 – 2026, this presents an opportunity to enter a market with large backing from both government and private equity.

Figure 2.

Government Health Expenditure



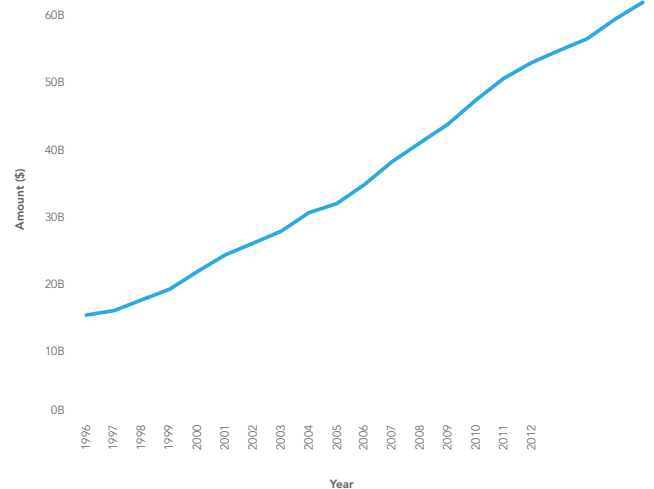
Source: AIHW health expenditure database.

Total government spending on health grew by 6.8% in real terms in 2016-17, above the average growth of the previous 5 years.

In 2014-15 85% of Australians had visited a GP in the previous 12 months

Figure 1.

Primary Health Expenditure



Source: AIHW health expenditure database.

### HEALTH IS A LOW RISK INVESTMENT

Health is strongly underwritten by the Public Sector. Governments fund two-thirds (67%, or \$115 billion) of all health spending.

As of October 2018, Health Care Equipment and Services made up 4.2% of the total market cap of the ASX top 300 (\$79 billion), this has increased from \$65 billion at the same time last year (Oct-2017). This represents a 24 % increase in the total size of these companies, compared to the other sectors within the GISC group this strong performance underlines investing in Australian healthcare is favoured by the market.

The cohort of Australians aged 65 years and over will double in the next 40 years

Allied health services grew by 43% in the last 10 years



## 1.2 The Vita Opportunity

# Allied Health

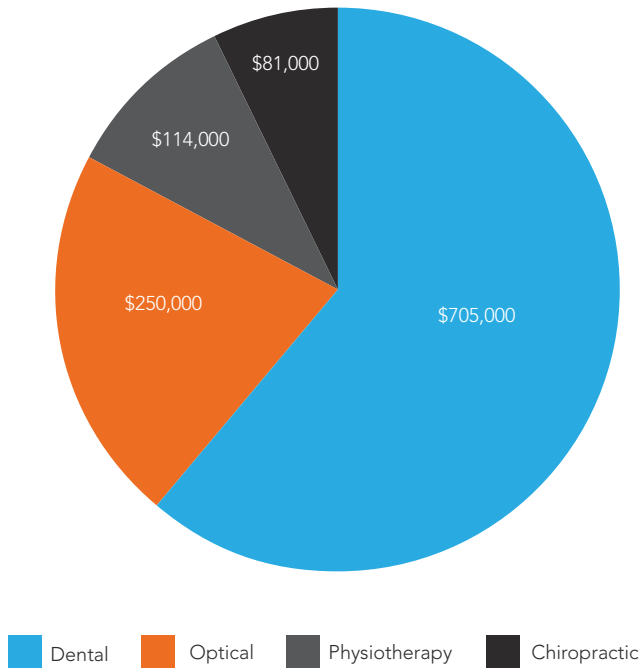
The allied health industry is growing rapidly as demand grows across the aged care, mental health, disability and hospital sectors.

Allied health professionals provide a broad range of diagnostic, technical, therapeutic and direct health services to improve the health and wellbeing of the consumers they support. Allied health compliments general practice and senior care and as such is an indispensable part of Vita's fully integrated health and care business.

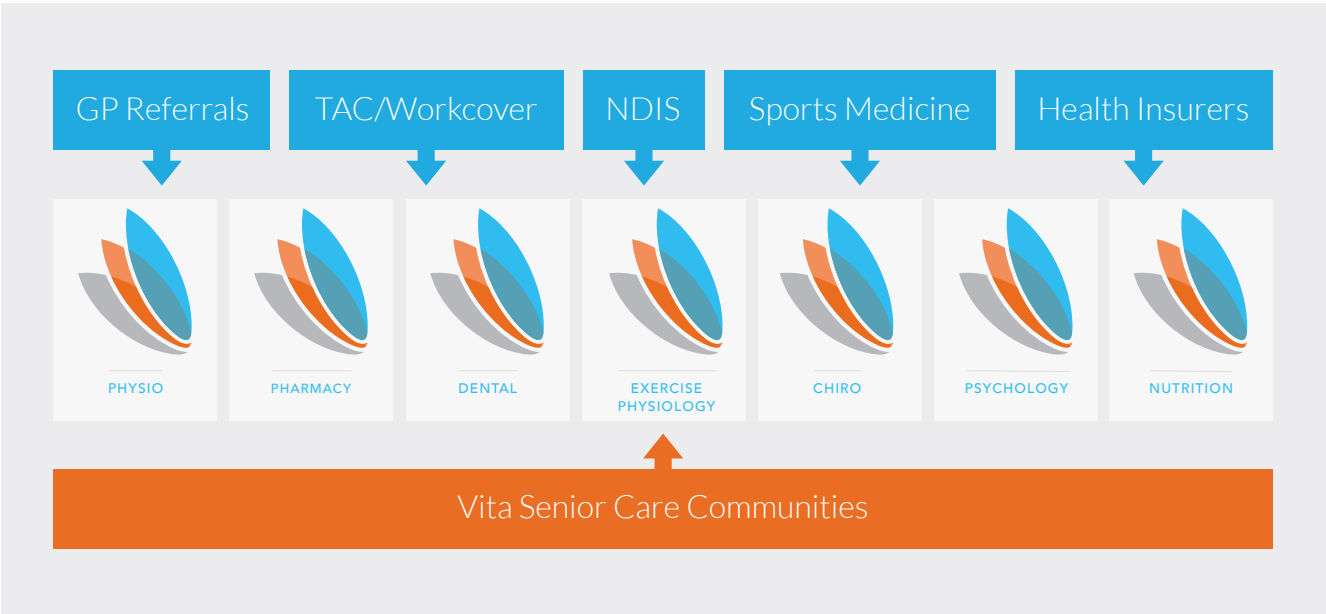
The growth in allied health (43% from 2005-6 to 2015-16\* source AIHW) can be attributed to growth in the aforementioned General Practice and Senior Care industries combined with a strong performance and growth in private health insurance (PHI) policy funding. PHI income growth for allied health businesses is supported by the Federal Government's efforts to control premium growth and foster participation through tax impositions.

During the March 2018 quarter, insurers paid \$1,36 billion in general treatment (ancillary) benefits. This was an increase of 6.2% compared to the December 2017 quarter. The major categories of ancillary benefits paid for the same quarter include dental, optical, physiotherapy and chiropractic (see figure 1 below). Overall PHI funded treatment contributed \$5 billion in 2017-18 to the allied health industry.

Figure 5.



Source: APRA Quarterly Private Health Insurance Statistics March 2018 (released 17 May 2018).



### 1.3 The Vita Opportunity

## General Practice

The importance of general practice in Australia's health and aged care system cannot be overstated. GP's are crucial in the diagnosis and management of chronic disease and illness. GP's also play a significant role in prevention and education. It is for these reasons that Vita has chosen to make building great general practices the centre of its vision and Vita Care Precinct offerings.

Vita offers an attractive environment for general practitioners of patient centered, outcome focused care where practices are not measured on how many patients they service but on how well they service them. Vita's vision is to build a network of likeminded general practitioners who share best practice, and grow along with Vita.

### The GP industry is fractured

Over 36,000 GP's are registered in Australia working within over 7000 practices. Largely these exist within a cottage industry with only 10-15% of all practice ownership being corporatized.

The two major primary healthcare corporates of IPN and Primary only employee around 3000 of 36000 registered GP's. Industry benchmark reporting suggests net margins of all practices varies greatly, from below 10% to above 25%. This is an indication of disparate levels in the quality of business management and unnecessary overhead duplication through small practice sizes.



## The outlook for the industry is strong

While the industry is not without its challenges the income of GP's is growing. This further consolidates the premise that corporatization and increased operating efficiencies can generate strong financial performance for a new entrant to the industry.

Figure 3 shows that real GP earnings per hour (that is, earnings after adjusting for CPI and accounting for practice expenses but before tax) have continued to rise over time. The data indicates that average GP hourly earnings in 2015 were \$116. Between 2012 and 2015 GP hourly earnings rose by 3.9 per cent in real terms (an average of 1.3 per cent per year). This is more than double the overall rate of real wage growth in Australia.

Figure 3.

### Hourly earnings VS MBS Revenue



Source: ANZ - Melbourne Institute Health Sector Report - General Practice Trends database.

On an average day  
406,000 visits are  
made to a GP

GP visits have  
increased by 18%  
in ten years

1.4 The Vita Opportunity

# Senior Care

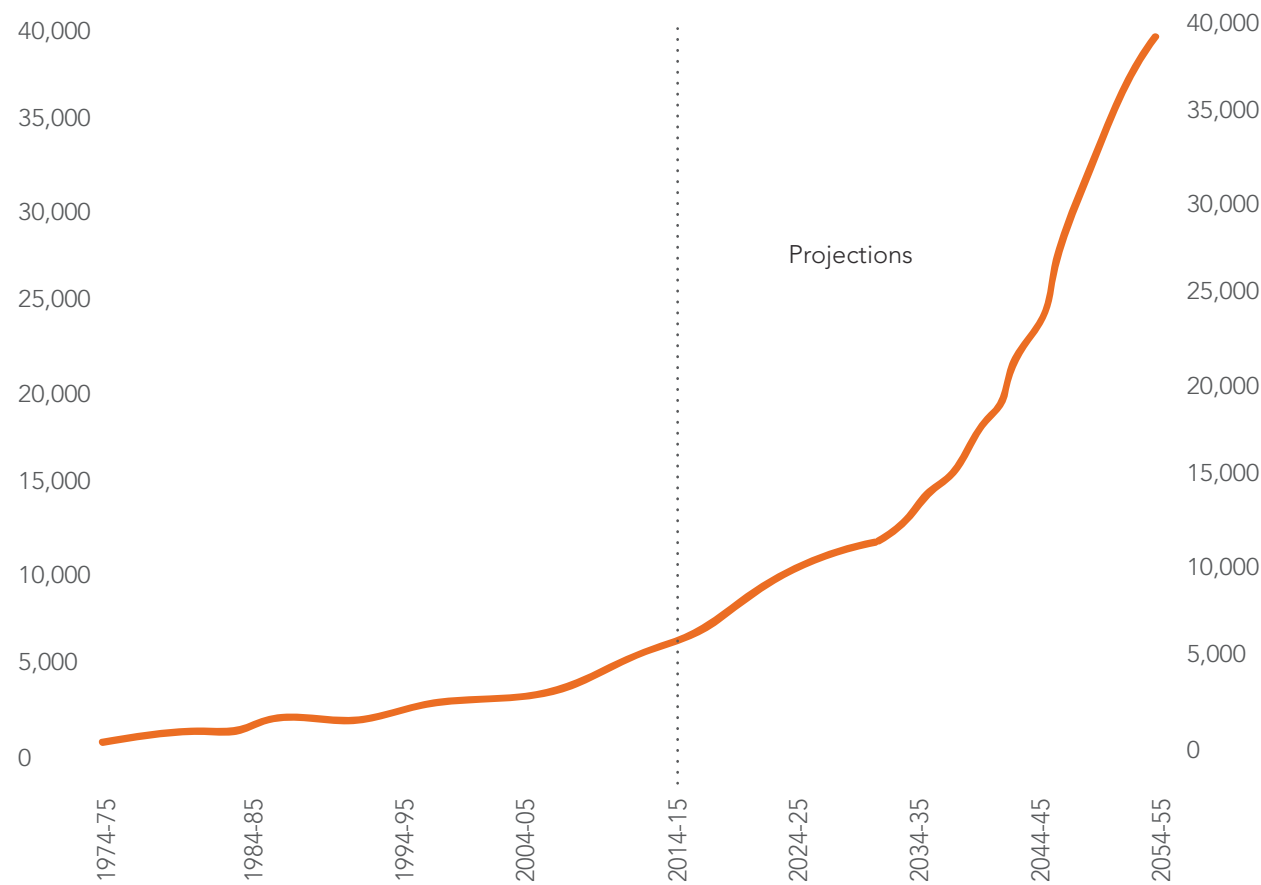
The Australian aged care sector is large and complex. From an economic perspective, it is one of Australia's largest service industries, employing over 350,000 to deliver services to over one million people via some 2,000 service providers according to the Aged Care Financing Authority (ACFA 2015). The aged care sector also plays an important social role in providing older Australians with a variety of care options in the later stages of their lives. There is significant public involvement in the sector, with \$17.8 billion of Commonwealth expenditure allocated to supporting aged care services in 2016-17. (source Deloitte - Australia's aged care sector: economic contribution and future directions)

Future growth of the aged care sector is likely to be significant. According to Treasury's 2015 Intergenerational Report, the number of Australians aged 65 years and over is forecast to more than double over the next 40 years. Consistent with this trend ACFA estimates that 76,000 new residential aged care places will be required by 2023-24 in order to meet demand. These estimates are driven by an aging population that is exacerbated by longer life expectancy, as projected by the Australian Treasury.

Source: Deloitte: Australia's aged care sector: economic contribution and future directions

Figure 4.

Number of Centenarians



Source: ABS cat. no. 3105.0.65.001, 3101.0 and Treasury projections.



A cornerstone of Vita's belief in creating fully integrated care precinct offerings is Vita Senior Care. Not just from the obvious fiscal upside, but for the growing importance that quality, affordable, human centered care holds in an aging population.

Comprising residential resort living, aged care and home care. Vita Senior Care's promise is that whatever a Seniors care needs are, Vita will cater for it. With the full spectrum of care within each precinct, couples will no longer need to be separated based on different care needs. With bespoke purpose built precincts, such as our Sunbury project, providing access to onsite medical care, a carbon neutral build comprising large scale solar power generation, car free living with clubhouses and all amenities within walking distance. Vita's 'Sun Zero Communities' will offer a combination of 'best of kind' clinical care. High spec, affordable, built-to-rent accommodation removing the barriers to entry such as capital outlay and the inflexibility of most developments.



Simply put, our investment in Vita Senior Care is investing in the essentials of life.

## 1.5 The Vita Opportunity

# Pharmacy

The key role that pharmacists and pharmaceuticals play in Australia's health system is obvious. For every 100 visits, GP's prescribed 82 medications, supplied nine, and advised purchase of 11 over-the counter medications in 2015-16.

Source: Hal Swerissen, Stephen Duckett, and Greg Moran. (2018). Mapping primary care in Australia. Grattan Institute.

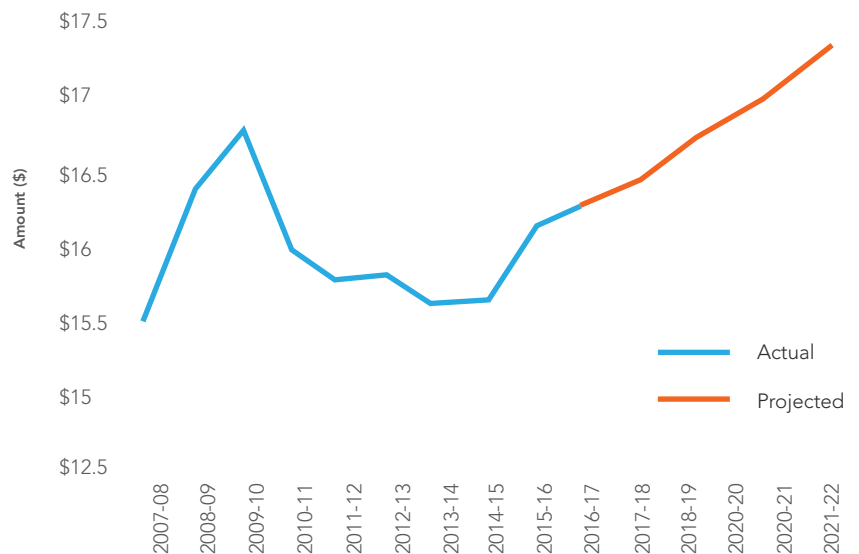
Vita's focus on providing consumers an integrated care offering includes a panel of GP's, Pharmacists and other Allied Health professionals to manage better health outcomes. This necessitates a network of Vita branded pharmacies as a key component of Vita's vision of enabling optimal vitality and happiness.

In addition to the synergies from a patient centred care point of view, pharmacies are a growing business. Growth in Australia's over 50 population, increased PBS expenditure and more diversified retail offerings will see pharmaceutical retailing revenue continue its recovery and grow 6.5% in the five years to June 2022.

Competition in this growing industry will continue to increase, with industry stakeholders highlighting a need to reduce the cost of medicine delivery through technology and supply chain innovation. Vita's focus on technology and automation places the brand to perform well and contribute to the future success of the industry.

Figure 6.

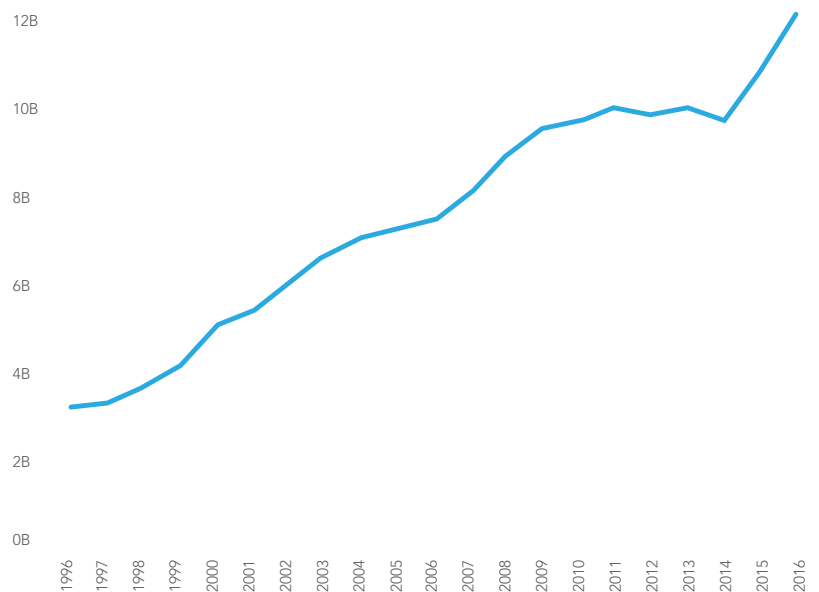
Actual and projected retailing revenue (8bn) - Pharmacy



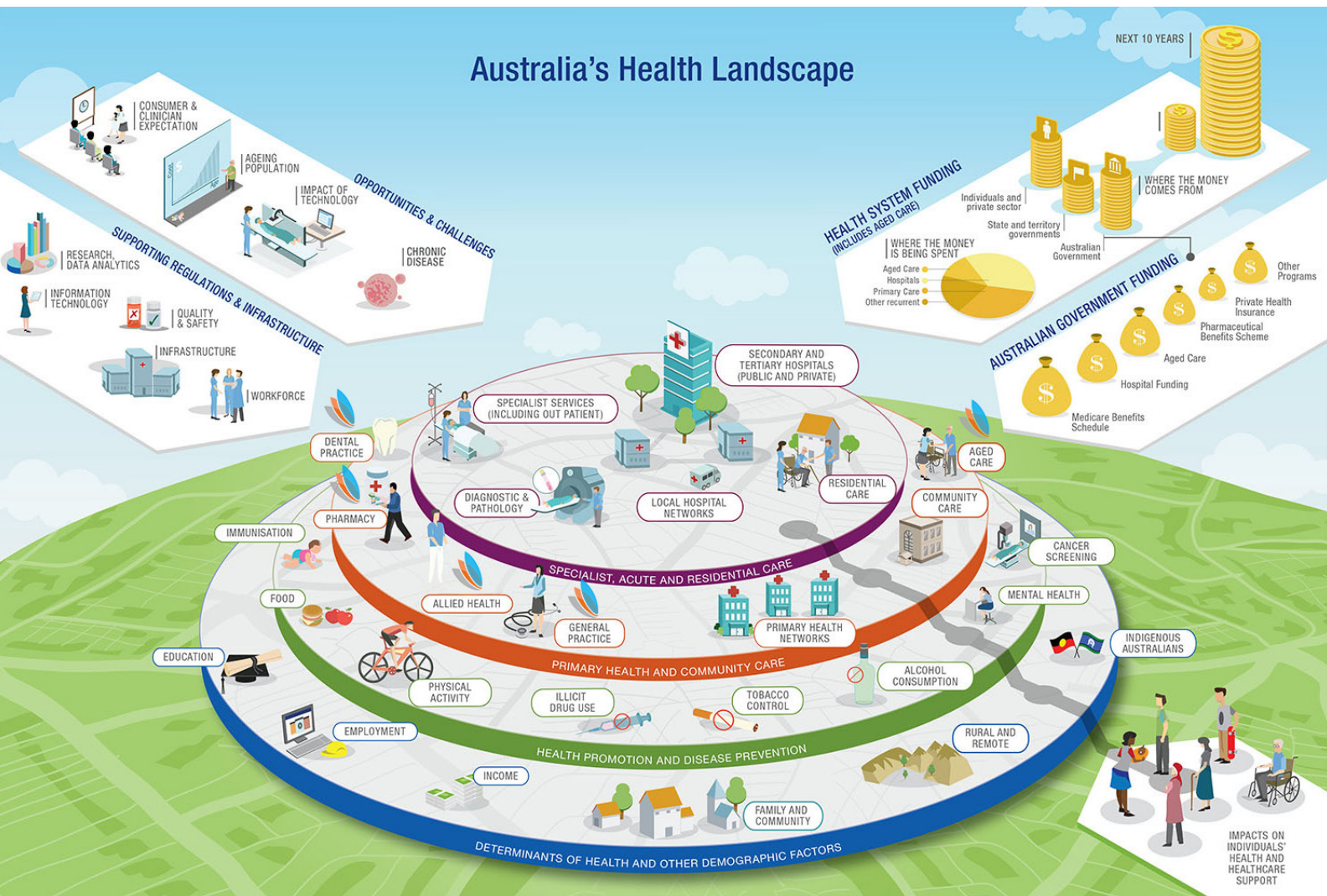
Source: Bankwest Future of Business: Focus on Pharmacy 2018 visualisations

Figure 7.

PBS Benefits paid - Pharmaceuticals



Source: AIHW Australia's health 2018 data



Source: A <https://beta.health.gov.au/resources/publications/australias-health-landscape-infographic>

## 1.6 How will

# Vita Make Money?

Vita has a diversified strategy of revenue generation, these streams include:

- Patient fees from Vita Care Precincts
- Patient fees from stand-alone GP, allied health and dental practices
- Brand fees from partners i.e. Pharmacy
- Software sales
- Managed services
- NDIS funding
- Medicare
- TAC
- Sale of health technology hard and software products

Vita will invest in health tech start-ups to generate investment income and **improve its own care offering** within Vita Care Precincts and stand-alone Vita practices.



## 02. The Vita Vision

Vita's goal is to reshape Australia's care industry landscape by creating the places, pathways and support structures for all people to achieve optimal vitality and happiness.

### Since when did being a patient require so much patience?

Vita is latin for life, at C2 Capital we believe in a happy life, well lived. We founded this business to enable people to be the best version of themselves and live in a state of optimal physical and mental wellbeing.

In most other industries customers are treated as a pleasure and a privilege. This is rarely the case in the big health and care businesses of today. For example, GP's being late for your appointment has become so normalised it is expected.

The recently commenced Royal Commission into systematic failures in the aged care industry is testament that some of Australia's large aged care providers may also be focused on the wrong outcomes, resulting in a disservice to Australia's aged care residents and their families.

Vita's focus is on delivering a great product, efficiently, through best practice business methodologies and technology. This approach ensures margins will never need to be delivered through cutting corners or comprising on quality human centred living. Vita's timing of entry into this industry positions it well to deliver on the commission's findings and implement best practice into our communities

Consumers of health and aged care in Australia deserve the big industry players to refocus on imagining new offerings that serve and exceed expectations of consumers, not on maximising government funding. **Where great customer service is the norm, not the exception.**



## 2.1 The Vita Vision

# Vita's Guiding Principles

**Vita will disrupt and inspire these multi-billion dollar industries to a new blueprint for quality.**

- Patient centred quality care is at the start, middle and end of all that we do.
- Health is a service industry. We are committed to raise the bar and reset what consumers expect from health providers.
- Care is made accessible and efficient through Vita's investment, invention and utilisation in the technology of tomorrow.
- Vita transforms communities by living the triple bottom line thinking that is in our DNA



## More than an investment, Vita is the platform to improve lives and revolutionise healthcare in Australia

Disproportionate growth in the Primary Health and Aged Care industries is, in part, the result of an increase in chronic disease and an aging population. The sharp rise in health funding requirements – to maintain current standards - is one of Australia's key macro-economic future threats. Vita's areas of focus to address this include; finding economies of scale through technology and aggregation; reduction of overheads through solving for the duplication of administrative resources.

Contributing to an industry solution for these issues will unlock lost margins and position Vita as a leader in the industry. Margin we will reinvest in financing the development of new thinking in preventative wellness and improving access to the best in global health technologies.

Sydney has become regarded as a Fintech hub overnight, why can't Melbourne house the next Health Tech hub? Vita's breadth across primary, senior and allied health, in combination with strategy of aggregation and development in health technology creates a unique investment opportunity. Vita has a large focus on enabling the private sector to partner with Universities, State and Federal Governments to solve these macro issues and reinvent the wider health and care industry.

Healthcare isn't just an industry. Health and aged care touches, enriches and enables every Australian to achieve optimal vitality and live longer, happier lives.

Now is the perfect time to disrupt this \$90b industry and Vita will be at the forefront of this revolution. It's absurd to think this could happen from within the industry, think Taxi think Uber, Think Hotel Think Airbnb, Think TV Think Netflix.

Think Health, Think Care?

Think Vita

## 03. About Vita

Vita is developing health and senior care sites, infrastructure and technology under the Vita brand across Australia. Vita started in 2017 as a concept led by business people with a mission to reimagine what care should be. Now it is tooled with cutting edge technology, access to great locations, and a conviction that Australian consumers deserve better outcomes from it's primary and aged care industries.

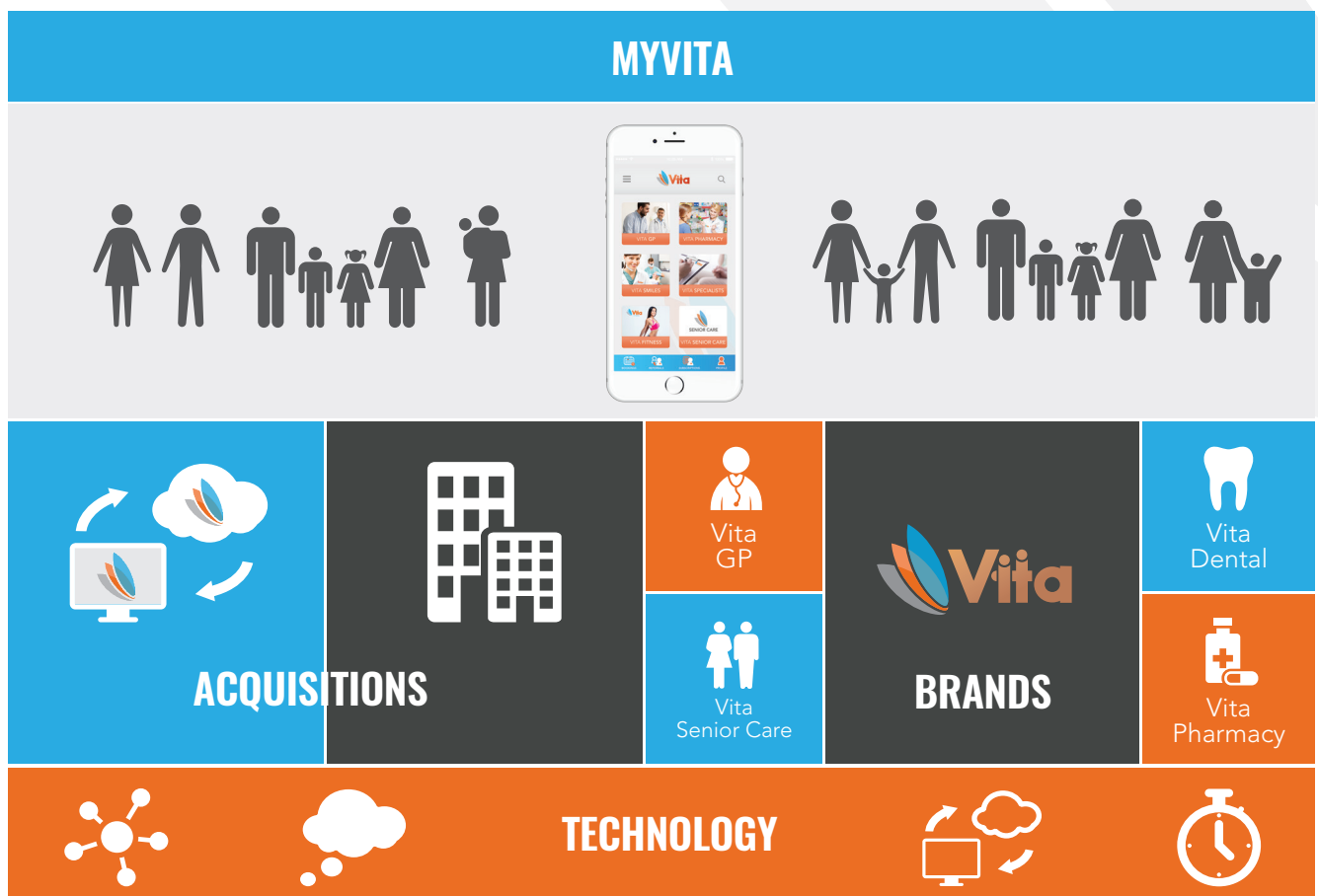
Vita's pathway takes our customer on a journey from a sub optimal state (i.e. illness, injury or burnout) to their natural state of optimal vitality. Each step in this journey requires the curation of an integrated set of services, products and solutions. Vita's ecosystem is designed to deliver exactly this. An exceptional patient and consumer experience that is both transformational and universally accessible.

Vita's journey starts through the first Vita Care Precincts in Edgewater, Sunbury, Sunshine North, Tarneit and Pakenham - opening in 2019 and 2020. Vita's business model offers scope to scale up rapidly, with plans for many more sites across Australia.

As part of the C2 group, Vita also has first access to bespoke healthcare and mixed use commercial development leaseholds developed by C2 Property, resulting in a corporate advantage, on cost and location, over other players within the health and care industry.

### Vita Ecosystem

The Ecosystem consists of four components, bringing together all of the elements needed to reinvent Australia's health and aged care industries, at scale. A foundation layer of proprietary **technology and operations** assets is Vita's enabler to **rapidly acquire both health technologies and practices**. These are where our **Vita Brands** will gain market penetration and scale. **MyVita** is the vehicle where consumers will integrate seamlessly with Vita's ecosystem, where services come to life through a mobile application.



### 3.1 About Vita

## Current Projects



### EDGEWATER BOULEVARD

Vita's first site in Maribyrnong, located 8km north west of the Melbourne CBD, will commence operation in the fourth quarter of 2019. 490m<sup>2</sup> of ground floor space comprising a general practice, pathology and allied health offering. The catchment area has strong growth with 7500 new residents projected by 2022. Maribyrnong also has a strong need for more primary healthcare sites focused on the needs of young couples and families.

Our centre will be co-located in a development encompassing a 100 place Montessori childcare centre, café, and retail with 80 upmarket apartments boasting views across the CBD above the Vita Care Precinct and will bring the Vita brand to life.

[Completion: Q4 2019\\*](#)



\*Subject to planning approval





## Current Projects

Vita's goal is to create a significant network of Vita Care Precincts across Australia by 2024. Leading this significant infrastructure program are our first sites. Through first access to C2 Property's off market deal flow, a further six sites are currently in progress.



### PAKENHAM

Located in one of Melbourne's growth corridors this project is made up of a medical centre, allied health building and a childcare centre in a site area of approximately 8,315 m<sup>2</sup>. This high profile gateway site has significant traffic flow exposure and is well situated to capture the local residential growth.

[Completion:](#) Q1 2020\*

\*Subject to planning approval



### SUNSHINE NORTH

Neighbourhood Activity Centre in Melbourne's inner west, including a 2000m<sup>2</sup> Vita Care Precinct comprising of General Practice, Allied Health, Pharmacy and Dental.

**Completion:** Q2 2020\*



### TARNEIT

Fully integrated multi-generational lifestyle precinct in Melbourne's outer western suburbs including a 2500m<sup>2</sup> Vita Care Precinct adjoining a hotel and residential aged care facility.

**Completion:** Q1 2021\*



### ROCKBANK

A major town centre development in outer western Melbourne due to commence construction in 2022. This site will include a 3200m<sup>2</sup> Vita Care Precinct adjoining a large shopping centre precinct in a government-funded initiative to drive major infrastructure into Melbourne's outer west.

**Completion:** 2022\*



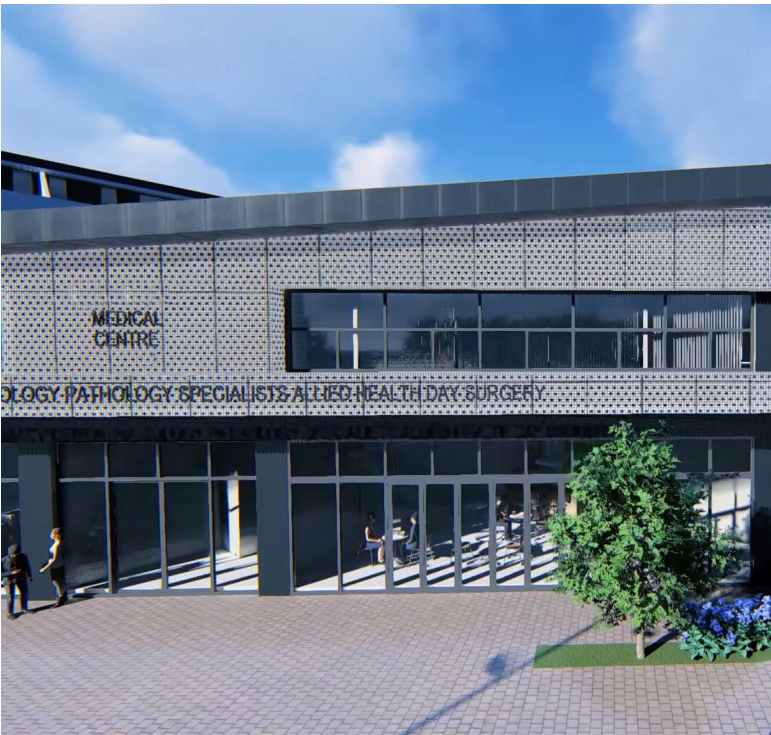




SUNBURY

Our proposed facility located at 720 Sunbury Road, Sunbury will include general practice consulting suites, treatment rooms, dental, pharmacy and allied health services.

Completion: Q2 2020\*



HARKNESS

Our proposed facility located at 401 Bulmans Road, Harkness will include general practice consulting suites, treatment rooms, dental, pharmacy and allied health services.

Completion: 2022\*



\*Subject to planning approval



## 04. Our Team

### Vita Curae

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**Peter  
Terrill**

Founder  
Managing Partner



**Sunil  
Kumar**

Founder  
Head of Senior Care



**Michael  
Cochrane**

Co-Founder  
Chief Executive Officer



**Jackson  
Terrill**

Co-Founder  
Chief Information Officer

### C2 Property

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**Linus Nolte**

Data Analysis



**Nick Bourke**

Portfolio Director



**Richard Thomas**

Portfolio Director



**Gayan Peiris**

Development Director

### C2 Shared Services Team

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**Ralph Bohmer**

Chief Financial Officer



**Sinead Symmons**

Marketing Team  
Coordinator

### Ideaworx

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**Albert Samuels**

Creative Director



**Hayley Goodgame**

Junior Graphic Designer



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