KPMG

Aged care market analysis 2025

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Our approach

For the past eight years, KPMG has published an analysis of the aged care market in Australia. Our analysis for 2025, similar to previous years, focuses on the top 25 providers by market share across home care package funding and residential aged care.

To inform this report, we have analysed aged care service list data published by the Australian Institute of Health and Welfare (AIHW) between FY18 and FY24.[1] This data has been updated as necessary to accurately reflect market activity throughout each financial year. Insights into the characteristics and trends of the Australian aged care market have been derived by filtering this data according to various factors, including year, care type, provider type, and location. This report focuses on activity and market composition from 1 July 2023 to 30 June 2024. For the home care market, market share has been determined by calculating the proportion of total government funding received by a provider. For the residential aged care market, market share has been determined by the number of residential places attributed to a provider.

Market overview

The aged care market continues to consolidate, with 855 home care providers and 642 residential aged care providers as at 30 June 2024.

This represents a 0.7% decrease in home care providers and a 3.0% decrease in residential aged care providers since FY23. The decline in home care providers is primarily due to rising cost pressures, legislative and regulatory uncertainty, and changes in the program environment under Support at Home. The reduction in residential aged care providers is mainly attributed to ongoing financial viability concerns and the increased regulatory burden from sector reforms. High levels of acquisition activity have persisted in the residential aged care market in FY24, continuing from FY23, particularly among large providers aiming to enhance their economies of scale by acquiring homes from providers outside the top 25 by market share.

> **"The Support at Home opportunity is creating strong interest in homecare M&A, albeit buyers are approaching certain deals with caution given current uncertainty around aspects of the transition."**
>
> **Morris Maciver**
> **Partner, Transaction Services & Financial Due Diligence**
> **KPMG Australia**

> **"We are seeing continued M&A activity in Residential Aged Care – including consolidation by established operators, and increased interest from private capital in response to more stable conditions."**
>
> **Stewart May**
> **Partner, Transaction Services & Financial Due Diligence**
> **KPMG Australia**

Home care

At 30 June 2024, 275,486 people were accessing a Home Care Package (HCP) across Australia, representing a 6.6% increase (17,112 people) from 30 June 2023. The increase in HCPs in the market aligns with the 29.2% increase in government funding provided to home care providers in FY24. This increased funding acknowledges the Australian Government's commitment to support people to live independently in their own homes for as long as possible.

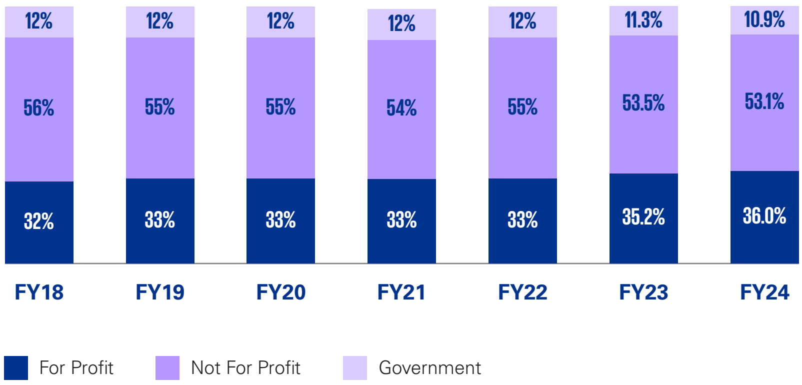
Provider landscape

The HCP market largely consists of three categories of providers: not-for-profit providers, for-profit providers and state and local government providers. Since FY18, the proportion of not-for-profit and government providers in the HCP market has slightly declined, while the number of for-profit providers has slightly increased.

Not-for-profit providers

The not-for-profit market, made up of charitable, religious and community-based providers, continues to make up the largest portion of the market. At 30 June 2024, there were 454 not-for-profit providers, accounting for 53.1% of the market. This represents a decrease of seven providers over the past 12 months.[2]

Figure 1: Home care providers by ownership type, FY18 to FY24



Source: KPMG, 2025 (using data from GEN Aged Care)

For-profit providers

At 30 June 2024, there were 308 for-profit providers, accounting for 36.0% of the market. This represents a 1.7% increase from the same time in 2023 with an additional four providers entering the market. These providers have been listed in the 'New market entrants' section below.

State and local government providers

Governments often act as the provider of last resort for aged care services, particularly in regional, rural, or remote areas where there is limited supply. At 30 June 2024, the government segment accounted for 10.9% of the total market (93 providers). This represents a slight decrease from 11.3% of the total market (97 providers) in FY23.

Three of the four exiting providers were local government councils located in Victoria, with two situated in major cities, one in an inner regional area and another being a state government provider in an outer regional area.

How is the HCP market changing?

Government expenditure on the HCP Program has steadily increased over recent years. In FY24, there were 275,486 people accessing a HCP at 30 June 2024. This is an increase of 17,112 or 6.6% from 258,374 at 30 June 2023.[3]

HCP Levels Two and Three represented the majority of the new HCPs (40.7% and 33.0% respectively), followed by Level Four (21.0%) and Level One (5.4%).[4] These distributions are similar to those seen in the previous year and are representative of the growing demand for higher levels of care.

The number of approved HCP providers increased from 818 in FY18 to a peak of 867 in FY21. This growth has since stabilised, with a total of 855 approved providers as of 30 June 2024.[5] The reduction in the number of providers since FY23 represented a mix of for-profit, not-for-profit and government providers.

The new Support at Home program will replace the HCP Program and the Short-Term Restorative Care Programme from 1 November 2025.

The Commonwealth Home Support Programme will transition to the new program no earlier than 1 July 2027. The introduction of the Support at Home program, alongside the *Aged Care Act 2024* and new aged care regulatory model is expected to impact the market – these impacts are anticipated to include:

- More providers entering the market under the provider registration model, including sole traders. The registration categories will be aligned with service types, making it easier for providers to meet their obligations and regulatory requirements.
- Market consolidation as providers seek to acquire new capabilities and services to meet changing participant expectations and achieve market share.
- Flexible self-management options will likely attract new market entrants, including technology-driven and niche service providers, leading to increased competition and a more dynamic provider landscape.

Top 25 players in the HCP market

In FY24, the top 25 HCP providers received 40.5% of total government funding. This represents a small increase from 39.8% in FY23 opposing the overall downward trend seen from FY18 to FY23. The overall level of funding provided in the HCP market has increased from \$6.8 billion in FY23 to \$8.8 billion in FY24, representing a 29.2% increase. This represents a 31.6% increase for the top 25 providers and a 29.2% increase for the remainder of the providers from FY23.

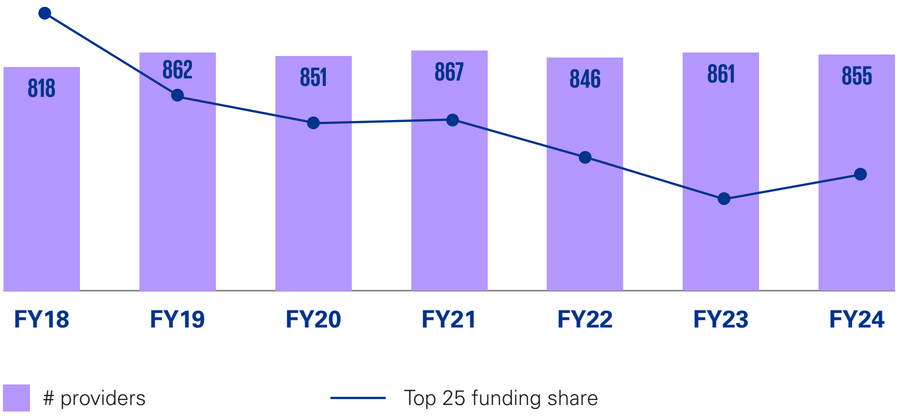
The overall increase in the level of government funding for HCP providers has grown considerably over the past seven years. However, while the overall market has grown, the total funding is now distributed across a larger range of providers, including those outside of the top 25.

While the number of HCP providers has grown since FY18, growth has since stabilised. Over this same period, the market share held by the top 25 funded providers has steadily decreased.

Figure 2 highlights these trends, demonstrating the number of providers in the HCP market from FY18 to FY24, as well as the market share of the top 25 providers based on the amount of government funding received.

While the number of HCP providers has grown since FY18, growth has since stabilised. Over this same period, the market share held by the top 25 funded providers has steadily decreased. Figure 2 highlights these trends, demonstrating the number of providers in the HCP market from FY18 to FY24, as well as the market share of the top 25 providers based on the amount of government funding received.

Figure 2: Number of HCP providers and share of total HCP funding received by the top 25 providers



Source: KPMG, 2025 (using data from GEN Aged Care)

Eleven HCP providers improved their position in the top 25 list in FY24, with six of these providers improving their ranking by more than three positions. Interestingly, while some of these providers offer services outside of the HCP Program (e.g. National Disability Insurance Scheme (NDIS) supports), not one of the six providers provide residential aged care. Of these six providers, two providers commenced operations in FY21;[6] Trilogy Care and HomeMade Support. A summary of the six providers now in the top 25 is outlined below:

HomeMade Support

HomeMade Support, a for-profit provider, grew considerably in FY24 moving up 15 places from a rank of 32nd in FY23 to 17th in FY24. The provider recorded a 95.4% increase in government funding from $42.1 million in FY23 to $82.3 million in FY24. HomeMade Support is a provider that provides self-managed HCPs by providing tools for building support plans, managing funds, providing clinical oversight, and ensuring compliance.

Pearl Home Care

Pearl Home Care, a for-profit provider grew considerably in FY24 moving up seven places from a rank of 29th in FY23 to 22nd in FY24. The provider recorded a 57.0% increase in government funding from $45.7 million in FY23 to $71.7 million in FY24. Pearl Home Care as a franchise expanded the number of home care sites recorded from one, located in Western Australia (WA) to 37 across WA, ACT, NSW, QLD, SA and VIC.

Dementia Caring Australia

Dementia Caring Australia, a brand under Caring Group, continued to grow over the past year, moving up six places from a rank of 14th in FY23 to 8th in FY24. The provider recorded a 68.3% growth in government funding from $79.3 million in FY23 to $133.9 million in FY24. Dementia Caring Australia exclusively provides support to people living with dementia, with their growth reflective of the increasing demand for specialist services.

Trilogy Care

Trilogy Care, a national, for-profit provider, moved up four places from the 7th largest provider in FY23 to the 3rd largest provider in FY24. The provider recorded a 109.9% increase in government funding from $116.8 million in FY23 to $245.2 million in FY24. Trilogy Care operates a self-managed model where older people are supported to directly engage with their chosen care and support workers. Self-managed models are becoming increasingly attractive to older people as these models often incur a lower administration fee which allows a higher proportion of allocated funding to be spent on services. Trilogy Care's growth is also underpinned by investment in technology and marketing.

Right at Home

The Right at Home franchise moved up four places from a rank of 16th in FY23 to 12th in FY24. The provider recorded a 48.2% increase in government funding from $72.6 million in FY23 to $107.7 million in FY24. Founded in the United States, Right at Home also offers services under NDIS and the Transition Care Programme.

Five Good Friends

Five Good Friends has continued its growth from previous years moving up four places from a ranking of 19th in FY23 to 15th in FY24. The provider recorded a 50.4% increase in government funding from $64.8 million in FY23 to $97.5 million in FY24. Five Good Friends operates a low-cost contractor model, supported by technology, where older people are connected directly with care workers.

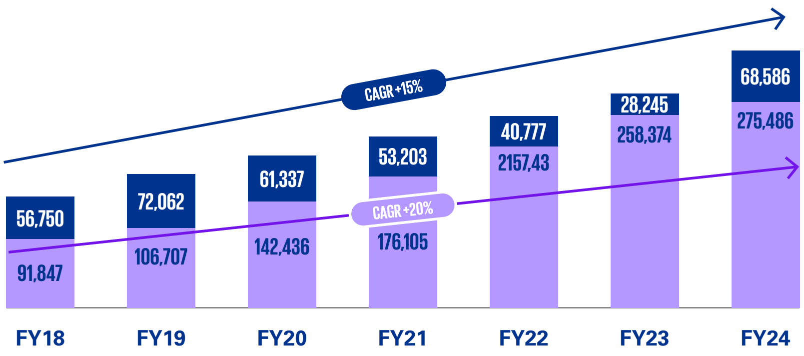
Calvary Care Group and Care Connect departed from the top 25 list in FY24. Calvary Care Group dropped from 24th to 27th and Care Connect dropped from 25th to 28th.

Table 1: 25 largest HCP providers by government funding in FY24

			Government Funding ($m)								Compound Annual Growth		
FY24 Rank	FY23 Rank	Provider	FY18	FY19	FY20	FY21	FY22	FY23	FY24	Sparklines	By provider	Total industry	Variance
1	2	Australian Unity	$47.48	$73.28	$127.53	$166.97	$210.14	$242.39	$704.00		56.74%	26.49%	30.25%
2	3	The Uniting Church in Australia Property Trust (Q.)	$95.69	$103.28	$133.06	$148.89	$165.11	$223.64	$281.73		19.72%	26.49%	-6.77%
3	7	Trilogy Care Pty Ltd	$0.00	$0.00	$0.00	$1.10	$21.61	$116.83	$245.23			26.49%	
4	4	Home Instead Senior Care Group	$12.48	$22.37	$40.20	$61.71	$96.15	$142.70	$200.86		58.89%	26.49%	32.40%
5	5	Silver Chain Group Limited	$43.96	$52.48	$69.41	$85.38	$109.72	$136.25	$173.09		25.66%	26.49%	-0.83%
6	6	HammondCare	$49.92	$53.07	$58.76	$82.30	$99.72	$129.43	$151.96		20.39%	26.49%	-6.10%
7	8	RSL Care RDNS Limited	$43.44	$51.03	$66.74	$74.48	$99.60	$116.50	$144.09		20.28%	26.49%	-6.21%
8	14	Dementia Caring Australia Pty Ltd	$1.08	$2.65	$6.84	$15.40	$35.44	$79.56	$133.93		123.30%	26.49%	96.82%
9	9	BaptistCare NSW & ACT	$50.62	$52.56	$63.41	$71.72	$75.29	$111.26	$132.75		17.43%	26.49%	-9.06%
10	11	The Uniting Church in Australia Property Trust (Victoria)	$19.05	$22.23	$39.73	$51.81	$71.35	$94.10	$119.56		35.82%	26.49%	9.33%
11	10	The Uniting Church in Australia Property Trust (NSW) + Wesley Community Services Limited	$80.08	$73.91	$79.16	$88.47	$97.62	$103.55	$115.62		6.31%	26.49%	-20.17%
12	16	Right at Home Group	$3.79	$10.17	$19.82	$28.78	$44.27	$72.64	$107.68		74.70%	26.49%	48.21%
13	12	Baptcare Ltd	$44.23	$45.72	$54.01	$62.40	$71.45	$92.42	$106.89		15.84%	26.49%	-10.64%
14	13	The Corporation of the Synod of the Diocese of Brisbane	$36.23	$40.99	$50.04	$65.09	$62.24	$81.74	$97.65		17.97%	26.49%	-8.52%
15	19	FiveGoodFriends Pty Ltd	$1.15	$6.13	$14.10	$20.21	$35.89	$64.79	$97.46		109.61%	26.49%	83.12%
16	15	Resthaven Inc	$25.61	$28.26	$36.43	$42.07	$58.04	$76.27	$94.98		24.42%	26.49%	-2.07%
17	32	Self Managed Support Pty Ltd	$0.00	$0.00	$0.00	$0.04	$7.38	$42.14	$82.34			26.49%	
18	17	KinCare Health Services Pty Ltd	$54.76	$51.36	$56.63	$56.69	$54.52	$68.02	$81.08		6.76%	26.49%	-19.73%
19	21	ECH Inc	$19.98	$19.61	$23.23	$25.75	$35.23	$59.49	$80.83		32.75%	26.49%	6.26%
20	18	Ozcare	$48.11	$46.19	$51.19	$57.43	$60.92	$67.21	$77.32		8.23%	26.49%	-18.26%
21	20	Mercy Aged and Community Care Ltd	$10.92	$45.58	$52.21	$56.96	$58.54	$63.19	$73.19		37.32%	26.49%	10.83%
22	29	Pearl Home Care Pty Ltd	$3.36	$3.87	$6.66	$8.15	$18.26	$45.68	$71.69		66.57%	26.49%	40.08%
23	26	Just Better Care Australia Group	$5.63	$9.10	$13.37	$20.48	$31.33	$50.23	$70.45		52.36%	26.49%	25.88%
24	23	Catholic Healthcare Limited	$30.05	$32.96	$37.40	$39.87	$42.24	$55.75	$69.49		14.99%	26.49%	-11.49%
25	22	Integratedliving Australia Ltd	$35.69	$41.33	$52.56	$55.83	$54.25	$59.35	$66.12		10.82%	26.49%	-15.66%
		Remainder of providers	$1,394.00	$1,597.95	$2,181.83	$2,767.99	$3,398.32	$4,440.17	$5,254.46		21.00%	26.49%	56.74%
		Total	**$2,157.31**	**$2,486.09**	**$3,334.33**	**$4,155.96**	**$5,114.64**	**$6,835.30**	**$8,834.45**			**26.49%**	

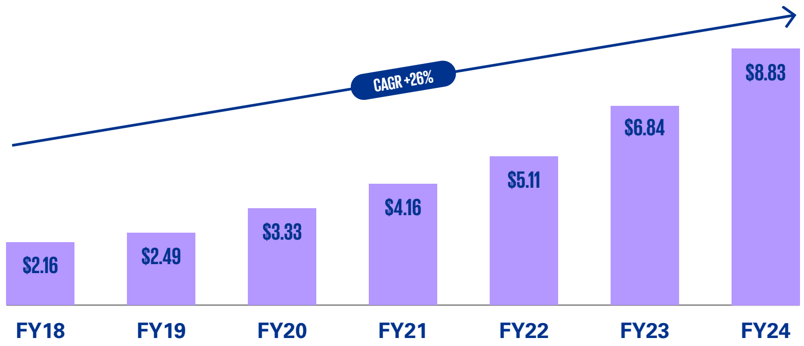
Source: KPMG, 2025 (using data from GEN Aged Care)

Figure 3: Number of home care participants and waitlist, FY18 – FY24



Source: KPMG, 2025 (using data from GEN Aged Care)

Figure 4: Government funding for HCP, FY18 – FY24



Source: KPMG, 2025 (using data from GEN Aged Care)

Market growth

The number of people accessing a HCP in FY24 increased by 6.6% (17,112 people) compared to FY23. This growth aligns with the broader trend observed over the past six years, with a compound annual growth rate (CAGR) of 15% from FY18 to FY24 (see Figure 3). The increase in FY24 is driven by the additional HCPs released into the market and the rising demand from consumers to remain at home for as long as possible. This preference to age in place is consistent with government policies and program changes under Support at Home, which aim to help older people stay at home for longer, with higher levels of support available from July 2025.

Despite the rising number of people accessing HCPs, demand continues to outstrip supply, resulting in delays for many older people between assessment and receiving an HCP. This lag is reflected in the National Priority System waitlist, which, despite a decline in recent years due to more HCPs being released, still had 68,586 people waiting for an HCP at their approved level as of 30 June 2024. This represents a 124.8% increase from 28,245 people on the waitlist as of 30 June 2023.[7]

The Australian Government's investment in releasing new HCPs is illustrated in Figure 4. Total government funding for the HCP Program in FY24 was $8.8 billion, a 29.2% increase from FY23. This increase in investment continues the trend seen over the past six years, with a CAGR of 26.5% from FY18 to FY24.

Despite the rising number of people accessing HCPs, demand continues to outstrip supply.

In addition to the overall growth seen in the HCP market, the sector has seen:

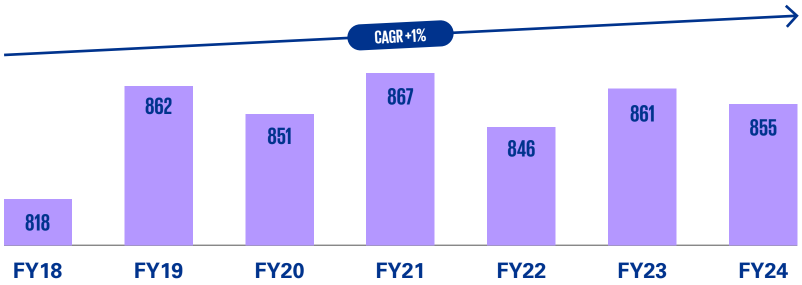
- Fluctuations in the number of providers over the past six years, with an overall CAGR of 1% as shown in Figure 5.[8]
- Growth in the average number of participants per provider. Figure 6 depicts growth over FY18 to FY24, which is equivalent to a 19% CAGR, a reduction in the growth rate in FY23 (+22%).[9] This growth is driven by the increase of supply into the market as well as a relative stagnation in the number of providers in the market.
- Growth in the average government funding per provider. As shown by Figure 6, from FY18 to FY24, the average government funding received per provider has grown at a CAGR of 26%, with the average in FY24 reaching $10.3 million ($2.4 million increase on FY23). This trend aligns with the growth in HCPs released into the market, overall government funding for the HCP and the average number of older people receiving services per provider.

Acquisitions and consolidation

The home care market continues to evolve and adapt in response to changing market dynamics with continued acquisitions, mergers and consolidation seen across the market.

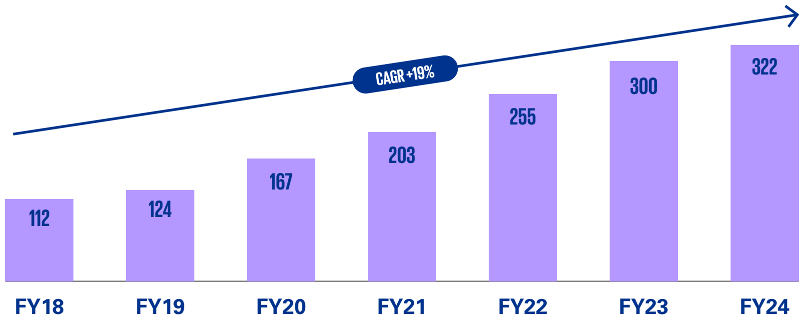
Last year, we reported that Australian Unity had entered into an agreement to acquire MyHomecare Group.[10] This acquisition was completed in March 2024 and saw the merger of the two largest home care providers, resulting in Australian Unity becoming the largest HCP provider in FY24. Australian Unity received an additional $461.6 million in government funding in FY24, representing a 190.4% increase from $242.4 million to $704.0 million. This saw Australian Unity's market share increase from 3.5% in FY23 to 8.0% in FY24.

Figure 5: Number of HCP providers, FY18 – FY24



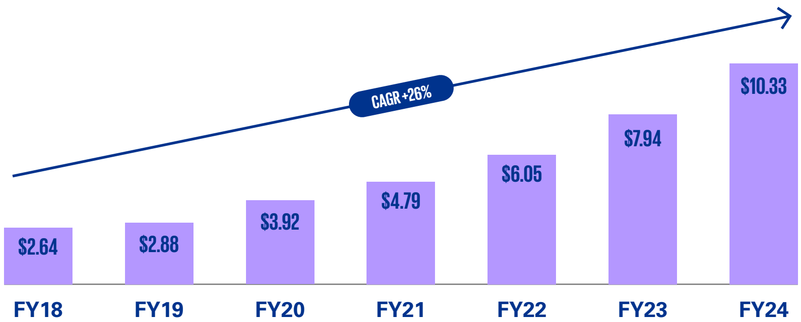
Source: KPMG, 2025 (using data from GEN Aged Care)

Figure 6: Average number of older people receiving HCPs per provider,



Source: KPMG, 2025 (using data from GEN Aged Care)

Figure 7: Average government funding per HCP provider, FY18 – FY24



Source: KPMG, 2025 (using data from GEN Aged Care)

From FY18 to FY24, the average government funding received per provider has grown at a CAGR of 26%.

New market entrants

Through our analysis, we have identified five providers that are new entrants to the HCP market in FY24.[11] Table 2 highlights the new entrants to the market in FY24, by government funding. The new entrants represent a mix of both for-profit and not-for-profit organisations. Several of the new entrants were NDIS providers who have expanded into in-home care under the HCP Program.

Table 2: New entrants to the HCP market in FY24, based on government funding

New entrant	Government funding received FY24	Insights
Maree Care	$1,858,357	Maree Care is a for-profit provider based in Northcote, Victoria. They offer a variety of services, including allied health, and have secured significant government funding since entering the market.[12]
One Dream Community	$1,092,343	One Dream Community is a for-profit provider operating in North Strathfield, New South Wales. One Dream Community is an NDIS registered provider and provides HCP. They also offer self-managed care options for participants.[13]
Hope Holistic Care	$616,039	Hope Holistic Care is a not-for-profit aged care provider based in West Ryde, New South Wales, serving the Chinese community. The organisation offers culturally tailored home care services.
Asayish Comfort Care	$33,307	Asayish Comfort Care is a for-profit provider operating in Smithfield, New South Wales. Asayish Comfort Care is a registered NDIS provider.[14]
Alpha Support at Home	$1,845	Alpha Support at Home is a for-profit provider based in Fullarton, South Australia. As a new entrant to the market, it has received minimal government funding.[15]

Source: KPMG, 2025 (using data from GEN Aged Care)

Residential aged care

At 30 June 2024, 196,848 people were accessing residential aged care services, including 189,884 permanent residents, an increase of 2.6% since 30 June 2023.[16] While the total number of people accessing residential aged care services increased, the proportion of Australians aged 65 years and older accessing residential aged care services slightly decreased from 6.5% in FY23 to 4.2%% in FY24. Similarly, the proportion of over 85 year olds accessing residential care in FY24, was reported at 19.9%.

The proportion of older people accessing residential aged care services differs across the country. South Australia had the highest proportion of the population aged 65 years and over accessing residential aged care (4.5%),[17] while Northern Territory had the lowest (2.1%).[18] When considering those aged 85 years and over, South Australia had the highest proportion of people in residential aged care at 20.8%, closely followed by Queensland and Victoria at 20.5%.

Consistent with FY23, Northern Territory remained the state with the lowest proportion of persons aged 85 years and over with using residential aged care at 12.1%.[19]

At 30 June 2024, 196,848 people were accessing residential aged care services.

Table 3: Proportion of population aged 65 years and over accessing residential aged care during FY24 by state and territory

State/Territory	Number of people aged 65 years and over accessing residential aged care during FY24	Proportion of population aged 65 years and over accessing residential aged care during FY24	Number of Australians aged 85 years and over accessing residential aged care during FY24	Proportion of population aged 85 years and over accessing residential aged care during FY24
NSW	63,397	4.2%	37,807	19.6%
Victoria	51,190	4.4%	30,902	20.5%
Queensland	39,599	4.1%	21,967	20.5%
Western Australia	18,081	3.8%	10,675	18.7%
South Australia	17,067	4.5%	10,395	20.8%
Tasmania	4,501	3.6%	2,550	17.9%
ACT	2,465	3.7%	1,460	18.3%
Northern Territory	506	2.1%	183	12.1%

Source: KPMG, 2025 (using data from GEN Aged Care)

Permanent residential care residents at 30 June

185,127 FY23 | 189,884 FY24 | ↑ 2.57%

Providers

663 FY23 | 642 FY24 | ↓ -3.17%

Operational places

221,467 FY23 | 223,691 FY24 | ↑ 1.00%

Homes

2,617 FY23 | 2,606 FY24 | ↓ -0.42%

Unoccupied operational places

30,784 FY23 | 26,843 FY24 | ↓ -12.80%

Provider landscape

There are currently 642 providers delivering Australian Government funded residential aged care in Australia, representing a 3.2% decrease (21 providers) since FY23.[20] The number of homes operated by these providers also decreased in FY24, from 2,617 at 30 June 2023 to 2,606 at 30 June 2024 (a reduction of 11 homes or 0.4%).

While the number of providers and homes decreased from FY23, the number of operational places in the market slightly increased (1.0% increase from FY23). This demonstrates consolidation in the market through a reduced number of providers offering an increased number of places – the number of places per provider increased from 334 in FY23 to 348 in FY24. This has been well received through the number of unoccupied operational places decreasing 2.8% from FY23.

Similar to the HCP market, the residential aged care market can be separated into three categories: not-for-profit providers, for-profit providers and state and local government providers.

Not-for-profit providers

At 30 June 2024, there were 401 not-for-profit providers operating homes with over 120,000 residential aged care places, representing 55.8% of the market, consistent with FY23. The not-for-profit segment is made up of community-based and religious providers that tend to deliver services across a broader geographic region than for- profit providers, with 39.2% of not-for-profit homes located outside of metropolitan areas, compared to only 19.4% of homes of for-profit providers. The proportion of not-for-profit homes located outside of metropolitan areas has been steady over time, with small fluctuations between 39% and 42% across FY15 and FY24. Of the 401 not-for-profit providers, 64.3% operate only one residential aged care home, consistent with FY23.[21]

> **While the number of providers and homes decreased from FY23, the number of operational places in the market slightly increased.**

For-profit providers

At 30 June 2024, there were 162 for-profit providers operating homes with over 91,000 residential aged care places, accounting for 40.7% of the market. The for-profit providers are comprised of a diverse range of private legal entity structures, including one publicly listed company (Regis Healthcare[22]) and one Australian member owned (mutual) company (Australian Unity). For-profit providers largely operate in metropolitan locations, with over 74,000 residential aged care places and over 80% of homes located in major cities.[23]

State and local government providers

There were 79 government providers at June 2024, operating over 7,900 residential aged care places, accounting for 3.5% of the market. Of these providers, 60 (75.9%) were located in Victoria operating over 5,000 residential aged care places (152 homes), representing the large majority of government residential aged care home providers nationally (72.0%).[24] Of the remaining providers, nine (11.1%) are located in New South Wales, four (4.9%) in South Australia, three (3.7%) in Queensland, two in WA (2.5%) and one in Tasmania.

Based on the number of operational places, the government segment has remained steady at 4% of the market across FY17 to FY23 with a small decline to 3.5% in FY24.

The segment is comprised of a mixture of local government (which account for 0.4% of the market) and state or territory government providers (which account for 3.2% of the market), consistent with FY23. Government services tend to operate in 'thin markets', and therefore are typically located outside of metropolitan areas, with only 10.9% of government operated homes (operating over 1,404 residential aged care places) located in major cities.[25]

The total number of older people in residential care has risen by 3.63% over the past five years.

How is the government-funded residential aged care market changing?

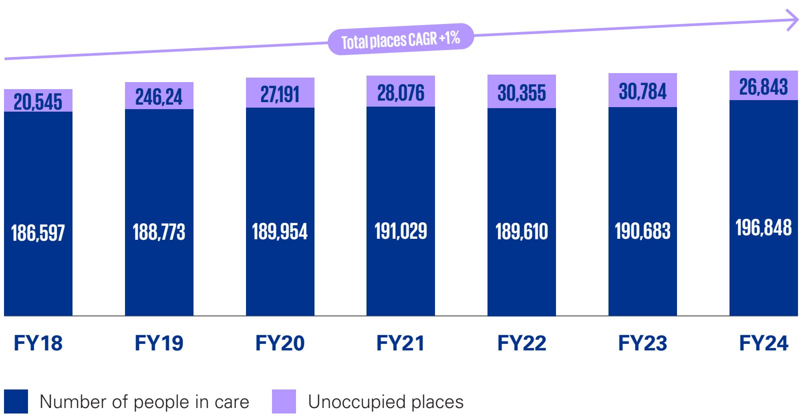
The number of permanent residents in residential aged care has increased in the last year, with demand continuing to increase. This has resulted in higher overall occupancy levels across the sector compared to the last three years. This has increased from 86.2% in FY22 to 88.0% in FY24. Financial performance is starting to improve across the sector following the introduction of the Australian National Aged Care Classification (AN-ACC) funding model and increasing occupancy.

Occupancy levels

Occupancy levels, which significantly impact the overall viability of residential aged care providers, have shown improvement. As of June 2024, occupancy levels were recorded at 88.0%, marking a slight improvement from the previous year. Over the past five years, occupancy had been in decline, dropping from a sector average of 90.3% in June 2018 to 86.1% in June 2023. However, the recent increase to 88.0% in June 2024 indicates a positive trend.

As illustrated in Figure 8, the total number of older people in residential care has risen over the past six years, increasing from 186,597 in 2018 to 196,848 in 2024, reflecting a compound annual growth rate (CAGR) of 0.9%. Concurrently, the total number of operational places available across the sector has grown at a faster pace, from 207,142 places in 2018 to 223,691 in 2024, with a CAGR of 1.3%. This trend has historically resulted in a higher number of unoccupied places and lower occupancy rates for providers. However, from FY23 to FY24, the number of people in residential care increased by 3.2%, while the total number of places grew by 1.0%.

Figure 8: Total occupied and unoccupied residential aged care places FY18 – FY24



Source: KPMG, 2025 (using data from GEN Aged Care)

The increase in occupancy rates and operational places in FY24, despite a reduction in the number of providers and homes, indicates market consolidation with a growing market share held by the top 25 providers.

The signs of increasing demand for residential aged care may be attributed to a number of factors, including:

Ageing population

Australia's ageing population continues to place upward pressure on demand for residential aged care. As life expectancy increases and the baby boomer generation enters advanced age, a larger proportion of older people are reaching the age at which they are more likely to require formal care. This demographic shift is expected to persist over the coming decades, contributing to sustained demand for residential aged care services.

Rising prevalence of dementia and complex health needs

Older people are increasingly choosing to stay in their homes longer, with many transitioning to residential aged care at a later age or not at all. This trend is expected to heighten the demand for specialist care, as more older adults entering residential aged care will have complex health needs, including behavioural and cognitive impairments, necessitating higher levels of clinical support. Consequently, providers are under pressure to ensure they have sufficient staffing, skills, and infrastructure to meet these needs effectively.

Reduction in informal care

Declining household sizes, increased workforce participation among women, and greater geographic mobility have reduced the availability of informal carers. Consequently, many older people are living alone without nearby family support, which can limit their ability to remain safely at home and increase the likelihood of entering residential care, particularly following a health crisis or hospital admission.

Economic pressures

While many older people express a preference to age at home, the availability and affordability of home care can be limited, particularly in regional areas. In these instances, residential care may become the default option, even where preference lies elsewhere.

Current supply and demand projections suggest a significant undersupply of operational places in the market in the coming years. Demand forecasts for residential aged care remain strong, with Australia's population aged 65 and over expected to grow from 4.8 million to 7 million by 2040.[26] With the number of operational places growing at a CAGR of 1.0% since FY18, this lags behind the CAGR of 3.1% in persons aged 65 and over since FY18.[27] This suggests supply will unlikely match the increase in demand. However, in-home care may alleviate some of this pressure with an increased desire for older people to remain at home, where possible.

> **The improved profitability has been driven by an average increase of $76.37 in revenue per resident per day, which exceeded the corresponding rise in expenses of $54.34.**[29]

Financial performance across the sector

Financial performance has improved across the sector in the past 12 months, with 65.9% of residential aged care providers reporting a year-to-date net profit before tax at June 2024. This is a substantial improvement on 48.9% of providers in FY23.28

Overall, there has been:

- A 12.6% increase in the percentage of residential aged care providers with a positive year-to-date EBIDTA. This increased from 70.1% to 82.7%. The improved profitability has been driven by an average increase of $76.37 in revenue per resident per day, which exceeded the corresponding rise in expenses of $54.34.[29]
- Since the introduction of care minute targets in October 2023, the sector has seen varying levels of success in meeting these targets. Only 40.5% of individual services have met both their service-specific targets, which include minutes of care per resident per day and minutes from registered nurses. Not-for-profit providers have generally exceeded the mandated care minute requirements, while for-profit providers have typically fallen short. It is anticipated that labour costs will continue to rise as these providers strive to meet the targets.[30]
- Accommodation performance continued to present a financial challenge for providers. In 2022–23, providers reported an average accommodation loss of $1.20 per resident per day. This, combined with the disparity in care minute compliance and profitability, suggests that some providers may be using care-related funding to offset accommodation shortfalls.[31]

Top 25 players in the residential aged care market

The top 25 providers in the residential aged care market for FY24 are outlined in Table 4. Based on the number of operational places, Opal remains the largest residential aged care provider in Australia, with an 11.4% increase in operational places from FY23 to FY24 and a CAGR of 7.5% from FY18 to FY24. Opal's continued growth in FY24 can be attributed to the acquisition of seven additional homes (712 operational places) including the acquisition of Churches of Christ Life Care's five residential homes (458 places). Opal also opened two new homes (274 operational places).

There has also been notable growth for a number other providers in the top 25 in FY24. This includes:

Bolton Clarke

Bolton Clarke[32] which remained the 2nd largest provider, gaining 144 places through opening one new home. This builds on their addition of 2,156 operational places in FY23.

Aegis

Aegis remained as the 13th largest provider with the addition of opening one home (156 places).

Anglicare

Anglicare (Sydney) remained as the 15th largest provider with the addition of one home (100 places).

Hall & Prior

Hall & Prior gained one position from 18th in FY23 to 17th in FY24. This is attributed to the acquisition of three homes (218 places).

Pearl Home Care

Pearl Home Care, a for-profit provider grew considerably in FY24 moving up seven places from a rank of 29th in FY23 to 22nd in FY24. The provider recorded a 57.0% increase in government funding from $45.7 million in FY23 to $71.7 million in FY24. Pearl Home Care as a franchise expanded the number of home care sites recorded from one, located in Western Australia (WA) to 37 across WA, ACT, NSW, QLD, SA and VIC.

Mercy Care

Mercy Care remained as the 16th largest provider with the addition of opening one home (86 places).

Thompson Health Care

Thompson Health Care moved up two places from 25th in FY23 to 23rd in FY24. This is attributed to opening two new homes (196 places).

Dementia Caring Australia

Dementia Caring Australia, a brand under Caring Group, continued to grow over the past year, moving up six places from a rank of 14th in FY23 to 8th in FY24. The provider recorded a 68.3% growth in government funding from $79.3 million in FY23 to $133.9 million in FY24. Dementia Caring Australia exclusively provides support to people living with dementia, with their growth reflective of the increasing demand for specialist services.

Respect Care is the only new entrant into the top 25 for FY24, rising from 30th in FY23 to 21st position in FY24. Respect Care's growth is attributed to the acquisition of five homes resulting in an additional 463 operational places. As a result, one provider (The Whiddon Group) fell out of the top 25, from 24th in FY23 to 26th in FY24.

Table 4: 25 largest residential aged care providers by operational places in FY24

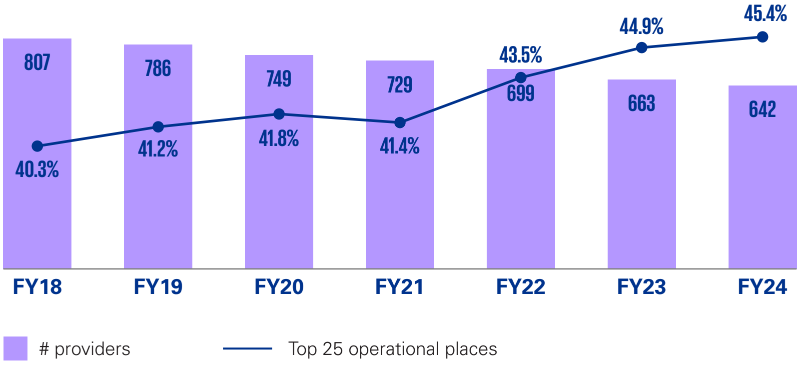
			Operational Places								Compound Annual Growth		
FY24 Rank	FY23 Rank	Provider	FY18	FY19	FY20	FY21	FY22	FY23	FY24	Sparklines	By provider	Total industry	Variance
1	1	Opal	6,832.0	7,262.0	7,525.0	8,002.0	8,575.0	9,487.0	10,565.0		7.54%	1.29%	6.25%
2	2	Bolton Clarke	2,517.0	2,510.0	2,511.0	2,511.0	6,685.0	8,841.0	8,965.0		23.58%	1.29%	22.29%
3	4	Estia	6,094.0	6,142.0	6,267.0	6,376.0	6,262.0	6,852.0	7,219.0		2.86%	1.29%	1.57%
4	3	Regis	6,784.0	7,241.0	7,424.0	7,338.0	7,338.0	7,266.0	7,197.0		0.99%	1.29%	-0.30%
5	5	Bupa	7,406.0	7,363.0	7,363.0	6,586.0	6,219.0	6,219.0	6,099.0		-3.18%	1.29%	-4.47%
6	6	Uniting (NSW.ACT) + Wesley Mission NSW	5,432.0	5,322.0	5,311.0	5,330.0	5,754.0	5,820.0	5,860.0		1.27%	1.29%	-0.02%
7	7	Calvary	1,011.0	1,214.0	1,214.0	1,215.0	5,880.0	5,787.0	5,717.0		33.39%	1.29%	32.10%
8	9	Arcare	3,325.0	3,666.0	3,883.0	4,289.0	4,551.0	4,814.0	5,042.0		7.19%	1.29%	5.90%
9	8	Blue Care + Wesley Mission QLD + ARRCS	4,866.0	4,895.0	4,895.0	4,895.0	4,895.0	4,852.0	4,867.0		0.00%	1.29%	-1.29%
10	11	BaptistCare NSW & ACT	1,811.0	1,807.0	1,941.0	1,946.0	1,946.0	3,056.0	3,058.0		9.12%	1.29%	7.83%
11	10	Catholic Healthcare	2,514.0	2,668.0	2,900.0	3,014.0	3,088.0	3,088.0	3,039.0		3.21%	1.29%	1.92%
12	12	BlueCross	1,979.0	2,152.0	3,013.0	2,887.0	2,887.0	2,840.0	2,852.0		6.28%	1.29%	4.99%
13	13	Aegis	2,199.0	2,224.0	2,347.0	2,677.0	2,677.0	2,677.0	2,810.0		4.17%	1.29%	2.88%
14	14	St Vincent's Care Services	1,361.0	1,661.0	2,073.0	2,073.0	2,598.0	2,598.0	2,598.0		11.38%	1.29%	10.09%
15	15	Anglicare (Sydney)	2,187.0	2,364.0	2,364.0	2,492.0	2,440.0	2,469.0	2,530.0		2.46%	1.29%	1.17%
16	16	Mercy Health	1,631.0	2,701.0	2,701.0	2,664.0	2,485.0	2,401.0	2,487.0		7.28%	1.29%	6.00%
17	18	Hall & Prior	1,206.0	1,290.0	1,728.0	1,789.0	2,084.0	2,247.0	2,472.0		12.71%	1.29%	11.42%
18	17	RSL LifeCare Limited	2,207.0	2,381.0	2,439.0	2,519.0	2,491.0	2,356.0	2,356.0		1.09%	1.29%	-0.19%
19	20	OzCare	1,476.0	1,630.0	1,630.0	2,057.0	2,057.0	2,105.0	2,265.0		7.40%	1.29%	6.11%
20	19	IRT	1,744.0	2,000.0	2,000.0	1,960.0	1,842.0	2,114.0	2,114.0		3.26%	1.29%	1.97%
21	30	Respect Group	636.0	755.0	854.0	996.0	1,587.0	1,659.0	2,058.0		21.62%	1.29%	20.33%
22	21	Churches of Christ in Queensland	1,891.0	2,105.0	2,145.0	2,134.0	1,992.0	1,994.0	1,974.0		0.72%	1.29%	-0.57%
23	25	Thompson Health Care	1,143.0	1,143.0	1,220.0	1,327.0	1,737.0	1,742.0	1,938.0		9.20%	1.29%	7.91%
24	22	TLC Aged Care	1,221.0	1,464.0	1,604.0	1,724.0	1,779.0	1,926.0	1,926.0		7.89%	1.29%	6.60%
25	23	Infinite Care	538.0	682.0	1,230.0	1,230.0	1,619.0	1,909.0	1,925.0		23.67%	1.29%	22.38%

Source: KPMG, 2025 (using data from GEN Aged Care)

Top 25 providers market share

In FY24, the top 25 residential aged care providers operated 44.7% of the total operational places, up from 44.0% in FY23. This increase reflects a consistent trend since FY18, driven by significant acquisition activity and a decrease in the number of providers in the market. Figure 9 illustrates the number of providers in the residential aged care market from FY18 to FY24 and presents the market share of the top 25 providers based on the share of residential operational places.

Figure 9: Number of providers and share of total operational places operated by the top 25 providers



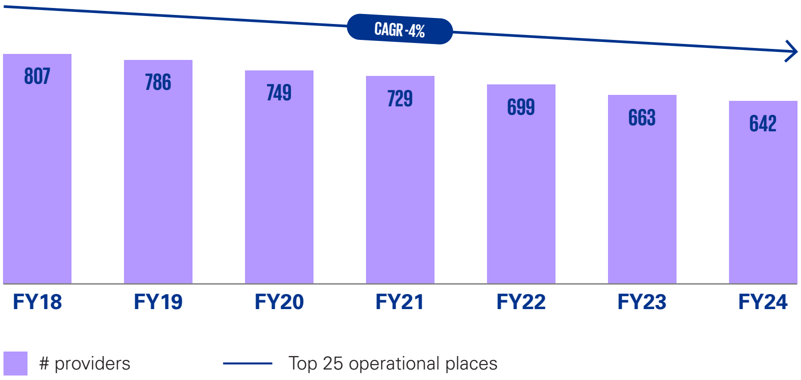
Source: KPMG, 2025 (using data from GEN Aged Care)

Market growth

As illustrated in Figure 10, the residential aged care market has seen a continued decline in the number of providers. In FY24, 21 providers exited the market, marking a 3.2% decrease from FY23 and a negative CAGR of -3.7% over the past seven years. This reduction is primarily due to ongoing market consolidation driven by viability pressures. It is expected that the number of residential aged care providers will continue to decrease in the coming years as smaller providers opt to exit the market.

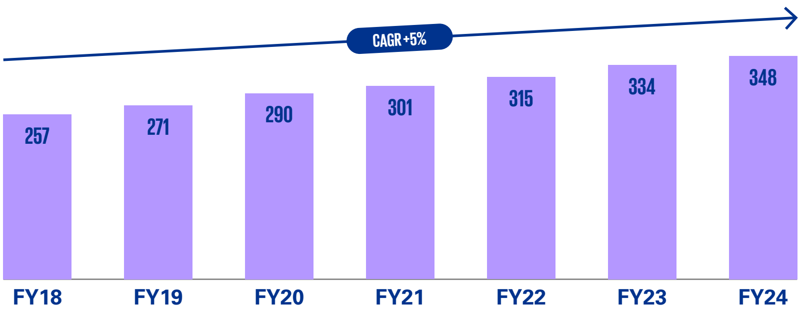
The number of people in residential aged care and the overall number of operational places continues to rise. As shown in Figure 11, the average number of operational places per provider has grown from 334 places in FY23 to 348 places in FY24, with a CAGR of 5.2% over the past seven years. This growth is driven by both the overall increase in the number of operational places across the sector as well as market consolidation as providers continue to exit the market, and some providers growing to gain operating efficiencies through economies of scale.

Figure 10: Number of residential aged care providers



Source: KPMG, 2024 (using data from GEN Aged Care)

Figure 11: Average number of residential aged care operational places per provider from FY18 – FY24



Source: KPMG, 2025 (using data from GEN Aged Care)

There was an average of 555 operational places per for-profit residential aged care provider in FY24, representing an increase of 8.8% from FY23 (average of 510 places per for-profit provider). The average number of operational places per not-for-profit provider increased to 311 in FY24 from 304 in FY23 (2.4% increase from FY23), and government providers also increased the average number of places to 98 in FY24 (2.7% increase from 95 in FY23).

Acquisition and consolidation

There continue to be mergers and acquisitions in the residential aged care market. Noteworthy merger and acquisition activity during FY24 included:

- Opal's intended acquisition of Blue Cross which will transfer 37 homes and 2,852 operational places to Opal.[33] Since this acquisition has not yet occurred, these providers have been kept separate for the purposes of this report.
- For Purpose Aged Care Australia (FPACA) acquired Signature Care in April 2024. This resulted in the transfer of ownership of eight facilities with an additional six currently in development.34 This built on the previous acquisition of Luson Aged Care last year and added 1,311 places in FY24, not including the six in development. This acquisition led to FPACA rising from the rank of 122nd (305 places) to 33rd position (1,616 places).
- mecwacare acquired four facilities from Royal Freemasons across FY24, gaining 373 operational places.
- Apollo Care acquired five additional homes gaining 306 operational places.
- Arcare acquired Astoria Group in March 2024, gaining 120 operational places across one home.
- Uniting Church Homes (Juniper) acquired three homes in October 2023, gaining 128 operational places.

New market entrants

Through our analysis, we identified a number of new entrants to the residential aged care market in FY24. New entrants consisted of a range of organisations, including home care providers that have now expanded into residential care, new entrants that have acquired existing providers and new organisations formed through the merging of two or more existing residential aged care providers.

Table 5: New providers in the residential aged care marketprovider from FY18 – FY24

New provider	Operational places FY24	Insights
Lake Cathie Manor Aged Care	138	Lake Cathie Manor Aged Care is a for-profit provider in Lake Cathie, New South Wales.[35]
Strathpine Aged Care	96	Strathpine Aged Care is a for-profit provider in Queensland specialising in dementia care.
Greenwich Place	90	Greenwich Place is a boutique for-profit aged care facility known for its modern accommodation. It has received accolades such as the Best Aged Care Facility at the 2024 Master Builders National Excellence Awards.[36]
Antiochian Care	80	Antiochian Care is a not-for-profit provider in New South Wales offering culturally tailored residential aged care for the Antiochian Orthodox community.[37]

Source: KPMG, 2025 (using data from GEN Aged Care)

Key findings

+ Home care

Home care packages saw significant growth

Driven by government funding and more HCPs available for people in need. Plus, rising demand from an ageing population, a preference to remain at home for longer, and increasing high level care needs.

+ The top 25 HCP providers

Government funding has increased by 29.2%

The top 25 HCP providers received 40.5% of government funding, up from 39.8% in FY23. This breaks the downward trend seen since 2018. Funding increased by 49.5% for the top 25 providers and 18.3% for the remaining providers.

40.5% FY24 → **39.8%** FY23

+ Occupancy

Higher occupancy levels in residential aged care

The overall number of providers, homes and unoccupied operational places decreased in FY24, while the number of permanent residents and operational places increased. This has created higher occupancy levels across the sector at 88%, after being in decline for five years.

+ Market

Market consolidation continues

The top 25 residential aged care providers operated 44.7% of the total places, up from 44% in FY23. This increase is driven by market consolidation, viability pressures, regulatory reforms, and higher market activity from top providers acquiring homes and building new facilities.

44.7% ↑ 44% from FY23

Sector insights

HCP market

Demand for home care services is projected to continue to grow, but workforce numbers are a challenge.

The introduction of the Support at Home program from 1 November 2025 is likely to have a range of impacts, including:

- New market entrants and exits, as regulation and funding models change.
- Lower barriers to entry for basic service providers.
- More demand for specialised services, possibly creating partnership opportunities.
- Rationalisation of services within existing providers.

Residential aged care market

Continued consolidation is anticipated, as smaller providers exit due to increasing regulatory requirements and financial viability concerns.

Overall **financial performance is set to improve**, with increased funding available through the AN-ACC model and improved occupancy as demand rises.

Growth has largely been achieved through **inorganic growth**, mainly acquisitions. Providers taking this approach need to consider its alignment to their business and operating models, and key capabilities.

To remain competitive, **aged care providers will need to digitally transform**, to ensure efficiency and high quality of care.

Key considerations for providers

1. Evaluate your current operating models – identify opportunities for additional value, particularly through technology integration and artificial intelligence.
2. Find ways to achieve economies of scale – consider organic and inorganic growth opportunities.
3. Evaluate your current service model – ensure it aligns with evolving consumer preferences and your organisation's desired capabilities.

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