

# **Retirement Accommodation and Residential Aged Care in the ACT 2006-2026**

## **Demand and Supply Study:**

**A Report prepared for the  
Chief Minister's Department  
of the ACT Government**

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*The Supply and Demand Study was carried out by Anna L Howe, PhD, Consultant Gerontologist, as a consultancy to the ACT Chief Minister's Department. While officers of the CMD contributed to all stages of the project, this report presents an independent account of the project and its findings.*

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## Abbreviations

ACAR	Aged Care Approvals Round, through which the Commonwealth makes annual allocations for development of new residential aged care places and other services.
ACAT	Aged Care Assessment Team
ACTPLA	ACT Planning and Land Authority
CACP	Community Aged Care Package
DA	Development Application
EACH	Extended Aged Care at Home package
HACC	Home and Community Care Program
ILU	Independent Living Unit, term used to cover all forms of retirement accommodation operating outside the Commonwealth Residential Aged Care Program and not covered by the <i>Aged Care Act, 1997</i> . Residents of ILUs may however be eligible for Community Aged Care Packages provided under the Residential Aged Care Program and providers may be Approved Providers under the <i>Aged Care Act 1997</i> .
LDA	ACT Land Development Agency
MACA	Ministerial Advisory Council on Ageing, reporting to Minister for Ageing
PALM	Planning and Land Management, ACT Department of Urban Services (predecessor to ACTPLA prior to July 2003)
RACH	Residential Aged Care Home, operating under the Commonwealth <i>Aged Care Act 1997</i>
RCS	Resident Classification Scale, used to rate dependency and care needs of residents in Residential Aged Care Homes into eight categories and assign funding accordingly. Categories 1-4 are generally taken to indicate high care (nursing home) and Categories 5-8 low care (hostel).

## A note on terminology

The terminology used in this report makes a broad distinction between

### *Residential Aged Care Homes* (RACH)

Low and high care homes (or hostels and nursing homes) that operate under the Commonwealth Residential Aged Care Program and the *Aged Care Act 1997*.

### *Retirement accommodation*

All other forms of housing provided specifically for older people in which the resident meets the cost of housing, either by a capital payment on entry or rent, but excepting Housing ACT provision. In covering the variety of built forms and mixes of housing and support and care services currently found in the ACT, this umbrella term includes:

- Independent Living Units (ILUs) in stand alone developments or as part of complexes with RACH;
- retirement villages, again with mixed built forms and possibly including RACH;
- assisted living apartments;
- supportive housing; and
- Abbeyfield Houses.

All these forms of housing constitute their “own home” for the resident, and residents in all forms of retirement accommodation are thus able to receive support services from HACC, CACPs and EACH, subject to respective assessment provisions and fees. In line with common practice in the ACT, the term ILU is used interchangeably through this report to cover all forms of retirement accommodation, exclusive of RACH.

*Ageing in place* has three meanings in this report, depending on the context in which it is used.

*In the context of the Commonwealth Residential Aged Care Program*, residents admitted to low care home may be classified in categories 5 to 8 on the Residential Care Scale. If their care needs increase and the home is able to provide higher levels of services, residents may subsequently be reclassified to RCS categories 4 to 1 and so enabled to age-in-place rather than having to move to a high care home.

*In the wider geographical context*, ageing in place refers to the ageing of neighbourhoods. Ageing in place is especially evident in a city like Canberra where suburbs were settled at particular times and subsequent residential stability means that the initial population then ages together.

*In the context of ILUs and retirement accommodation*, ageing in place refers to provision of additional services on an as-needs basis to individual residents who experience increasing restrictions in their activities of daily living, to enable them to remain in their unit even though their care needs are equivalent to residents of low care homes. These

additional supports may be provided through the delivery of services through the HACC or CACP if available, or on a user pays basis.

## Executive Summary

### Rationale for the Study

The need for a detailed investigation of the changing nature of demand for retirement accommodation and residential aged care in the ACT was flagged in early 2005 in a report from the Case Manager to the ACT Government's Inter Departmental Committee (IDC) on Aged Persons' Accommodation. The IDC had been set up in August 2003 and charged with overseeing the implementation of the *Building for Our Ageing Community* Strategy launched in December 2003. A copy of the strategy is at Appendix 1. The strategy makes a commitment to a holistic approach in four areas:

- Targeted land release for aged care;
- Meeting demand;
- Planning and development; and
- Quality service by case management of developments.

The case management system set up as part of the *Building for Our Ageing Community* strategy has addressed a number of short term issues to facilitate the assessment and subsequent planning of a number of proposals for large scale developments of independent living units (ILUs) and residential aged care homes (RACH). The number and scale of these proposals, and their potential to diversify provision, was all the more conspicuous coming after the limited activity in the sector over the preceding five to ten years. It was not however clear whether these proposals were a one-off occurrence due to increased Commonwealth funding and ACT land availability, or signalled more fundamental shifts in the structure and dynamics of the sector over the medium to longer term.

Lead times of seven to 10 years from initial concept planning to opening were reported in some instances and the large capital commitments involved in these major projects call for a case management system that goes beyond individual projects, to an understanding of overall trends that are now emerging and likely future demand and supply. This longer term view is essential if the case management approach is to be effective in realising the timely provision of a range of accommodation and related services for Canberra's current and future older residents. It was to address these medium to longer term concerns that the *Demand and Supply Study* was commissioned in April 2006.

### What is "demand and supply"?

Older people considering a move into some form of specialised retirement accommodation have diverse needs and preferences. For some, the move is very much a matter of choice, for others it is a matter of necessity, and choices for all are very much affected by affordability and availability. Recognising that their needs may change over time, intending movers are looking for options that will satisfy their short term needs and cater for anticipated future needs. To understand demand for retirement accommodation,

it is necessary to break down, or disaggregate, total demand into its component segments of different combinations of accommodation and services.

The supply of retirement accommodation and residential aged care is similarly made up of demand for varying mixes of different kinds of accommodation and different levels of support and care. However, as there is considerable flexibility in provision of services in different forms of accommodation, the boundaries between the segments are flexible. Recent trends have seen increasing separation of services from accommodation, and continuation of this trend is likely to see even more flexibility in future. One of the factors contributing to this trend is that providers who operate on several sites are increasingly able to tailor services to the needs and preferences of individual residents across their sites rather than having particular kinds of services tied to particular sites. In looking at responses to demand, it is again necessary to disaggregate supply to take account of the different ways in which accommodation and services can be delivered.

## **How the study was conducted**

The study was conducted in four stages:

### **1. Review of background material**

A range of background material was compiled and reviewed. This material included statistical data on population trends and provision of retirement accommodation and aged care facilities, a number of reports to the ACT Government and a variety of literature on social trends associated with population ageing and trends in housing for older people. These sources are listed in the References at the end of this report.

### **2. Issues and Options Paper**

An Issues and Options Paper was developed and circulated to consumer, provider, government and professional bodies with interests in the retirement accommodation sector to provide a basis for consultation. This paper presented:

- A brief review of demographic trends in the ACT and some of the particular social characteristics associated with the population ageing in the ACT;
- An analysis of the present supply and demand for residential aged care and other forms of retirement accommodation that identified the segmented nature of both supply and demand;
- An assessment of the extent to which supply matches demand at present, and the factors affecting responses to future trends in different demand segments; and
- A review of the roles of ACT government land release policies and other planning processes that have a major influence on shaping development of residential aged care and retirement accommodation. Measures that could ensure the quality of the planning process and its outcomes, for providers, older people who move into different forms of retirement accommodation, and the community as a whole, were also canvassed.

### 3. Workshops

Two workshops were held in late May 2006 and attended by almost 40 participants from consumer, provider and professional bodies, as listed in Appendix 2. Government agencies were also represented. One key objective of the workshops was to explore emerging options that cross the boundary between low care residential aged care and ILUs and other forms of retirement accommodation. Five key issues identified in the Workshops were:

- a. Balancing supply and demand;
- b. Affordability and market prices;
- c. Accessible and adaptable design;
- d. Staying or moving? and
- e. Changing expectations to housing and retirement living on the part of retirees and the community as a whole

The discussions in the Workshops were summarised and a number of actions to address the issues raised were set out in a report on the Workshops that was circulated to participants for any further comment.

### 4. Final Report

This report draws together material from the Issues and Options Paper and the Workshops. Nine strategies are proposed to address key issues in meeting demand for retirement accommodation and residential aged care, grouped into three sets as follow.

#### Strategies proposed

##### Strategies aimed at addressing demand at its starting point

Four main drivers underlie increasing demand for retirement accommodation and residential aged care in the ACT over the next two decades: demographic trends, social trends and expectations, affordability and the propensity of older people to move. Although most older people remain in their own homes for most of their years in retirement, a growing proportion are making a move. Moves are associated with varying degrees of choice and necessity, they may be for a longer or shorter time, and take account of anticipated future needs as well as present needs. The starting points for addressing demand were identified as assisting older people in making decisions about moving and addressing modifiable problems in their own homes. A range of services in the ACT already provides some support in both these areas, but need to be strengthened. Accordingly, the first two strategies proposed are:

#### **Strategy 1: Support an advisory service to help seniors decide whether to stay or move**

##### Actions

- Formulate the scope of an advisory service in consultation with consumer groups, existing advisory agencies and providers;
- Identify existing candidate agencies to provide the service;

- Fund as an information and advisory service under the HACC Program; and
- Collaborate with others in activities such as production of guides and referral for services that can assist seniors to stay at home or to move.

### **Strategy 2: Increase help with staying at home through expanded access to home modifications, aids and equipment**

#### Actions

- Take steps to improve referral and coordination between existing agencies;
- Ensure equitable access to home modification, aids and equipment services in different parts of Canberra;
- Increase access to new technologies;
- Increasing funding for these services, noting that many clients can be assisted as the unit cost of services is low; and
- Explore the interest in a commercial outlet for aids and equipment, in conjunction with ACT Health, noting that such an outlet could also be a supplier to community and residential care providers.

### **Strategies aimed at matching supply with changing demand**

The drivers of demand for retirement housing and residential aged care are already prompting new responses from providers. The range of current (proposed and underway) developments indicate that the future will be characterized by an increasing mix of providers, an increasing diversity of services, an increasing market for assisted living, increasing interest in accessible and adaptable housing, and increasing recognition of other options that contribute to the full array of retirement accommodation. If supply is to respond to these trends, some estimates of provision required under different demand conditions over the next two decades need to be developed, and considerations of affordability also need to be taken into account. Three strategies are proposed to guide and promote a supply of retirement accommodation and residential aged care that accords with changes in the level and range of demand.

### **Strategy 3: Adopt and refine a planning model of ILUs and RACH**

#### Actions

- Adopt the medium demand model, based on the estimate that 3% of the population aged 60 and over will live in retirement accommodation, to guide planning of ILUs, and apply the model to *monitor potentially excessive development rather than to promote development up to the 3% level* as any shortfall that emerged could indicate lack of demand.
- Develop the planning model further to take account of:
  - o data from the 2006 Census and new projections;
  - o data on the age of residents of ILUs to refine rates of take up of ILUs among different age groups and changes in the age structure of the total older population to 2026;
  - o short, medium and long term scenarios with adjustments made over time to take account of the rate of realization of new developments;
  - o changes in the balance between demand for ILUs and RACH (and the potential for substitution at the margin between the two);

- o on-going diversification of provision, including possible joint ventures; and
- o actual development of both ILUs and RACH in the region in each five-year period.
- Review and refine the model in 2008.

#### **Strategy 4: Promote accessible and adaptable design**

##### Actions

- Accessible and adaptable design should be promoted specifically in retirement accommodation and in general housing development by a combination of actions:
  - o Regulation for basic accessibility and adaptability in planning process applying specifically to retirement accommodation, through revision of the Territory Plan, caveats on leases, etc. Recognising that design is very dynamic, such regulation should be enabling rather than prescriptive;
  - o Recommendations to practitioners in all stages of design and construction, from new developments to modifications of existing premises, and installation of aids and equipment, whether small or larger scale;
  - o Rating accessibility and adaptability to be required information for all ILUs under provisions for consumer protection; and
  - o Rewards for good practice through industry and government sponsored awards.

#### **Strategy 5: Address affordability**

##### Actions

- Introduce alternatives to land subsidies to enhance affordability and make them available to providers in all sectors. Options for consideration include:
  - o sale of land with payments staged to take account of provider's capital flow as the facility is progressively occupied;
  - o containment and reduction of costs of Development Applications (DA); and
  - o concessions for increased floor space ratios.
- Investigate how unit titling could be reintroduced to provide incentives for development of more diverse forms of retirement housing; and
- Investigate possibilities for joint ventures, including joint ventures with Housing ACT.

### **Strategies aimed at enhancing the roles of the ACT Government and its agencies**

The ACT Government and its agencies play a number of roles in the development of retirement accommodation and residential aged care. The most significant of these roles is the release of land for these purposes. The time frames for planning and development, and associated planning processes also exert major influences on the ways in which supply is realized in response to demand. Government also has an important role in providing consumer protection to those who move into various forms of retirement accommodation and to the community as a whole. Three strategies are proposed to enhance the roles of the ACT Government and its agencies in facilitating the development of a supply of retirement accommodation and residential aged care that will provide an

optimal response to future demand. A final strategy is proposed to set a timeline for action in this policy area, critical to the future of the ACT as it's population continues to age.

### **Strategy 6: Address land supply**

#### Actions

- Extend the land bank for aged accommodation, covering ILUs, RACH and other possible forms of development;
- Hold sites sufficient to meet projected demand for up to 10 years in advance and release, in line with the planning framework proposed in Strategy 3, taking account of completion of projects and other factors such as changes in Commonwealth allocations;
- Include a mix of sites of different sizes and in different locations to facilitate a mix of developments; this mix should include infill and green-fields sites; and
- Release all sites on a market basis, but with possible options for deferred payment of part of the cost.

### **Strategy 7: Strengthen planning capacity**

#### Actions

- Strengthen capacity of ACTPLA to manage DAs for RACH and ILUs;
- Ensure that the review of the Territory Plan gives attention to definitions and other matters relevant to land use policy for ILUs and RACH to give greater recognition to their distinctive character, and also facilitates other options for retirement accommodation, such as granny flats;
- Improve planning processes by extending the case management approach, promoting consultation with providers, and continuing to negotiate with the Commonwealth over the timelines set for RACH development;
- Develop a broad framework for planning of RACH and ILUs, that promotes good practice and innovation to optimise outcomes for individual developments;
- Review relevant planning and retirement village legislation in other states to inform planning processes in the ACT, including possible reintroduction of unit titling;
- Promote professional, provider and community education through:
  - o forums and information sessions to share experiences among providers; and
  - o liaison with the ACT Division of the Planning Institute of Australia to develop a short course on planning of retirement accommodation.

**Strategy 8: Enhance consumer protection for residents in all forms of retirement accommodation**

Actions

- Review the Retirement Village Industry Code of Practice to ensure that it is able to:
  - o cover the range of retirement accommodation that is now available;
  - o provides for a register of accommodation that comes under the Code;
- Ensure that intending and current residents have adequate information on provision of additional support and care services and that their choice of provider is protected; and
- Consider whether the Code should be replaced with legislation covering relevant consumer protection and planning matters.

**Strategy 9: Set a timetable for and monitor implementation**

Actions

- Develop a timetable for implementing short, medium and long proposals of this report; and
- Review progress in mid 2008 and adjust strategies in line with outcomes and newly emerging trends and issues.

## 1. Demand factors

*The four major drivers of demand for retirement accommodation are demographic trends, social trends and expectations, affordability and propensity to move. Each is examined in this chapter and two strategies for addressing these demand-side factors are proposed.*

### 1.1 Demographic trends

The underlying driver of demand for all forms of care and accommodation for older people in Canberra over the next 20 years is the rapid ageing of the population<sup>1</sup>. The ageing of the baby boomers will see marked increases by the mid 2020s in the number and proportion of older Australians aged 60 and over. Over and above the ageing of the baby boomers, the ACT experienced rapid expansion in the 1960s and the young adults who moved to Canberra then are now reaching retirement age and will move into old age in the next 20 years. In contrast to the future growth of older age groups, younger age groups are projected to decline.

#### **Growth of the aged population ahead of total population growth**

The growth of the population aged 60 and over will far outstrip the growth of the total population in the ACT over the next 20 years. Age 60 is adopted in this report to cover the younger retiree population who need to be included in considerations of planning for the full range of retirement accommodation. Compared to a growth of 14% in the total population projected from 2006 to 2026, the population aged 60 and over will more than double in absolute numbers from 47,440 to 95,791 and as a share of the total population will increase from 14% to just over 25%.

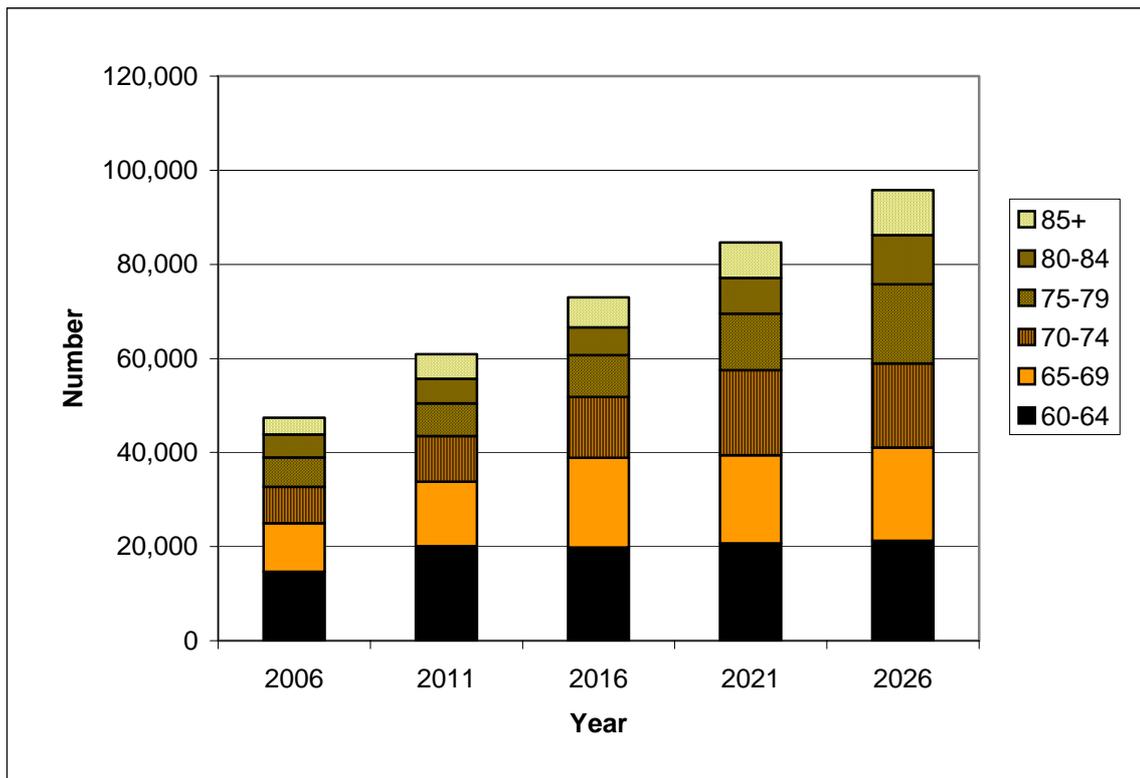
#### **Changing age structure of the older population**

Figure 1 shows that as well as growing in size, the age structure within the older population will change.

- From 2006 to 2016, the ‘young old’ population, those aged 60 to 75, increases rapidly. Growth of these cohorts then tapers.
- From 2016 to 2026, the flow on of these enlarged cohorts into older age groups results in a marked increase in the ‘old old’ population, those aged 75+ and over. The proportion of the 60+ population aged 75+ remains very steady at around 30% from 2006 to 2021, but then increases markedly to almost 40% by 2026.

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<sup>1</sup> ACT Chief Minister’s Department. 2003. *Australian Capital Territory Population Projections 2002-2032 and beyond*. CMD: Canberra.

**Figure 1: Growth of population aged 60+, by age group, ACT, 2006-2026**

### Geographic variations in ageing within the ACT

A report prepared for Planning and Land Management (PALM) in the ACT Urban Services Department in 2001 highlighted the uneven geographic distribution of Canberra's aged population now and into the future<sup>2</sup>. The PALM report examined trends to 2010. An extended view of these trends to 2014 (Table 1) which shows three perspectives on geographic variations now and into the future: the proportion of each area's population aged 60 and over, the absolute numbers of older people, and the share of Canberra's older population contained in each area. Full age data for all areas is given in Appendix 3.

There is currently a threefold variation in the proportion of the population aged 60 and over, from less than 7% in Gungahlin and South Tuggeranong to 21% in the Woden Valley. By 2014, all areas will have higher proportions of aged and the variations between areas will reduce. While Woden Valley remains the oldest area with 25% aged 60 and over, all other areas reach some 20% or more, except South Tuggeranong with 15% and Gungahlin with 10% aged 60 and over.

In planning retirement accommodation, the absolute number of older people is more important than the proportion in any area. The size of the older population in each area, and the shares of Canberra's total older population are set to grow unevenly between local areas. North Canberra had the largest number of people aged 60 and over in 2004,

<sup>2</sup> SGS Economics and Planning. 2001. *ACT housing preferences: Household type and dwelling demand*. Report prepared for Planning and Land Management, ACT Department of Urban Services.

followed closely by Woden Valley and South Belconnen. The rapid growth of the older population in North Tuggeranong will give it the largest number by 2014, followed closely by South Belconnen; these two areas will then contain almost one third of the total older population. North Canberra, Woden Valley and North Belconnen will contain another third. Two of the remaining areas, South Tuggeranong and Gungahlin will see their older populations double in size, but the numbers remain smaller than in South Canberra and Weston Creek, which see only modest increases in their older populations.

**Table 1: Ageing in local areas of Canberra, 2004 to 2014**

Area	Jun 2004	Jun 2005	Jun 2006	Jun 2007	Jun 2008	Jun 2009	Jun 2010	Jun 2011	Jun 2012	Jun 2013	Jun 2014
<b>Percentage aged 60+</b>											
North Canberra	17.6%	17.6%	17.6%	17.7%	18.1%	17.3%	18.5%	18.9%	18.9%	18.9%	19.4%
South Canberra	19.7%	19.3%	19.1%	19.8%	19.7%	20.4%	20.9%	21.3%	21.7%	22.2%	22.7%
Woden Valley	21.1%	21.6%	21.9%	22.6%	22.9%	23.5%	24.0%	24.3%	25.2%	25.3%	25.9%
Weston Creek	19.0%	19.2%	20.3%	21.3%	22.5%	23.7%	24.2%	23.8%	23.6%	23.2%	23.1%
North Belconnen	11.0%	12.0%	12.8%	14.2%	15.2%	16.2%	17.3%	18.2%	18.8%	19.4%	20.3%
South Belconnen	14.8%	15.7%	16.3%	17.4%	18.1%	18.8%	19.5%	20.2%	20.7%	21.4%	21.9%
North Tuggeranong	10.0%	10.7%	12.0%	13.3%	14.5%	15.9%	17.2%	18.6%	19.8%	21.2%	22.4%
South Tuggeranong	6.8%	7.6%	8.1%	9.0%	9.7%	10.4%	11.4%	12.1%	13.0%	13.8%	14.7%
Gungahlin	6.5%	6.9%	7.4%	7.7%	8.0%	8.2%	8.6%	8.9%	9.3%	9.7%	10.1%
<b>Number aged 60+</b>											
North Canberra	7100	7300	7400	7500	7750	7900	8000	8250	8300	8350	8600
South Canberra	4450	4450	4500	4750	4800	5000	5150	5300	5450	5650	5800
Woden Valley	6800	6950	7050	7300	7400	7550	7700	7800	8050	8050	8200
Weston Creek	4450	4500	4750	4950	5200	5450	5600	5700	5850	5950	6200
North Belconnen	3950	4250	4550	5000	5400	5800	6250	6650	6950	7250	7550
South Belconnen	6,850	7,200	7,550	8,100	8,450	8,750	9,050	9,350	9,550	9,850	10,000
North Tuggeranong	5,350	5,700	6,300	6,950	7,550	8,200	8,800	9,400	9,900	10,550	11,000
South Tuggeranong	2550	2900	3100	3450	3750	4000	4350	4600	4900	5200	5500
Gungahlin	1900	2100	2400	2650	2900	3200	3550	3800	4150	4450	4800
Total 60+	43400	45350	47600	50650	53200	55850	58450	60850	63100	65300	67650
<b>Share of population aged 60+</b>											
North Canberra	16.4%	16.1%	15.5%	14.8%	14.6%	14.1%	13.7%	13.6%	13.2%	12.8%	12.7%
South Canberra	10.3%	9.8%	9.5%	9.4%	9.0%	9.0%	8.8%	8.7%	8.6%	8.7%	8.6%
Woden Valley	15.7%	15.3%	14.8%	14.4%	13.9%	13.5%	13.2%	12.8%	12.8%	12.3%	12.1%
Weston Creek	10.3%	9.9%	10.0%	9.8%	9.8%	9.8%	9.6%	9.4%	9.3%	9.1%	9.2%
North Belconnen	9.1%	9.4%	9.6%	9.9%	10.2%	10.4%	10.7%	10.9%	11.0%	11.1%	11.2%
South Belconnen	15.8%	15.9%	15.9%	16.0%	15.9%	15.7%	15.5%	15.4%	15.1%	15.1%	14.8%
North Tuggeranong	12.3%	12.6%	13.2%	13.7%	14.2%	14.7%	15.1%	15.4%	15.7%	16.2%	16.3%
South Tuggeranong	5.9%	6.4%	6.5%	6.8%	7.0%	7.2%	7.4%	7.6%	7.8%	8.0%	8.1%
Gungahlin	4.4%	4.6%	5.0%	5.2%	5.5%	5.7%	6.1%	6.2%	6.6%	6.8%	7.1%
Total 60+	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

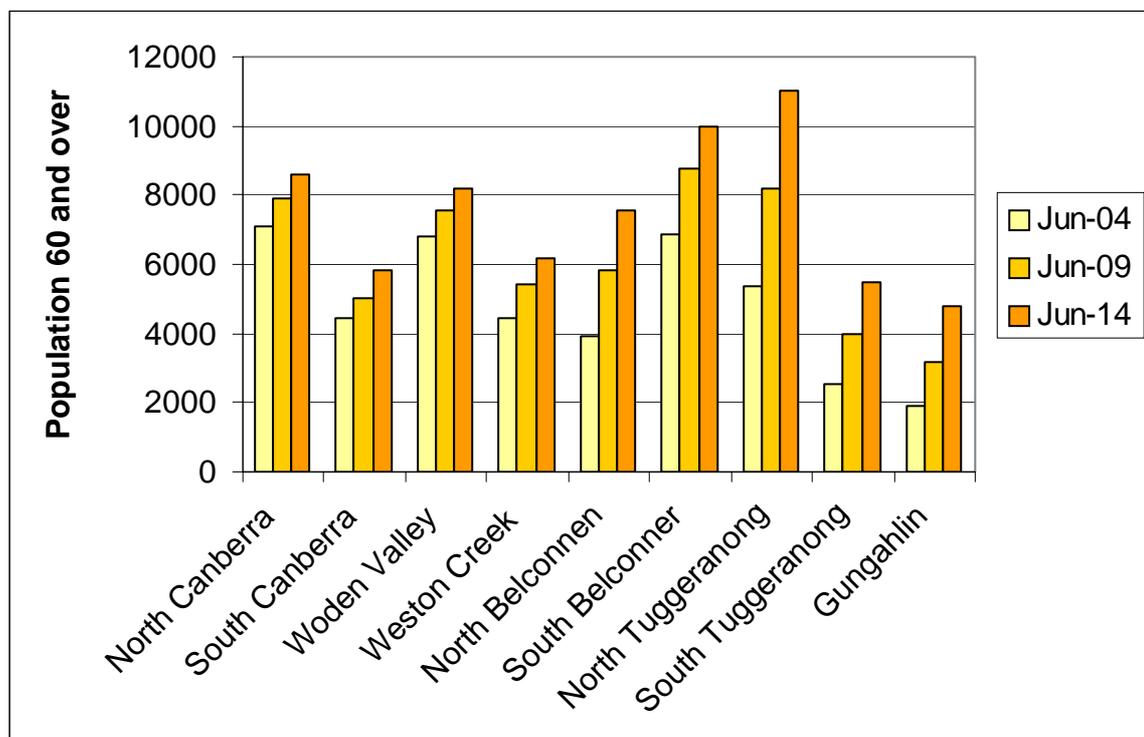
These differences in the size and growth of older populations are summarised in Figure 2 which shows the population aged 60 and over in each area in 2004, 2009 and 2014. The shifts in the size and share of the older population between areas are the results of ageing-in-place of those who settled in different neighbourhoods at different times and who have

largely remained in those areas. Thus, the earlier settled parts of Canberra are now the oldest, and their older populations will remain fairly stable over the decade. In contrast, rapid growth of older populations will occur in areas settled in the 1970s and 1980s.

While the aged population will grow in all areas, North Tuggeranong and South Belconnen will have the highest growth and largest aged populations by 2014. The growth in North Belconnen adds to this geographical shift. Growth is also high in South Tuggeranong and Gungahlin, but their older populations in 2014 remain smaller than in the other areas with already larger aged populations but lower growth: North and South Canberra, Woden Valley and Weston Creek.

The patterns seen to 2014 will continue into the future as ageing in local areas beyond 2014 will depend largely on the size of the middle aged population already living in each area (see data in Appendix 3 for further details).

**Figure 2: Growth of Canberra's population aged 60 and over, by area, 2004-14**



### Distribution of current provision

The location of retirement accommodation in the ACT tends to follow the distribution of the population aged 60 and over, and availability of suitable sites. The ACT does not have a particularly favoured retirement locality, and retirement accommodation is already reasonably dispersed.

The distribution of existing RACH and ILUs and recently released sites designated for further development is shown in Figure 3. It can be seen that:

- The locations of existing RACH and ILUs accord most closely with the already established concentrations of older population in South Canberra and the Woden Valley, but to a lesser extent in North Canberra.
- Developments that are underway are responding to growth in Belconnen and Tuggeranong.
- Recently released sites will see new development addressing demand in Belconnen and Tuggeranong as well as providing for expansions in Woden Valley.

### Potential for growth of retirement accommodation in local areas

Table 2 summarises the potential for growth of retirement accommodation over the coming decade on the basis of three factors:

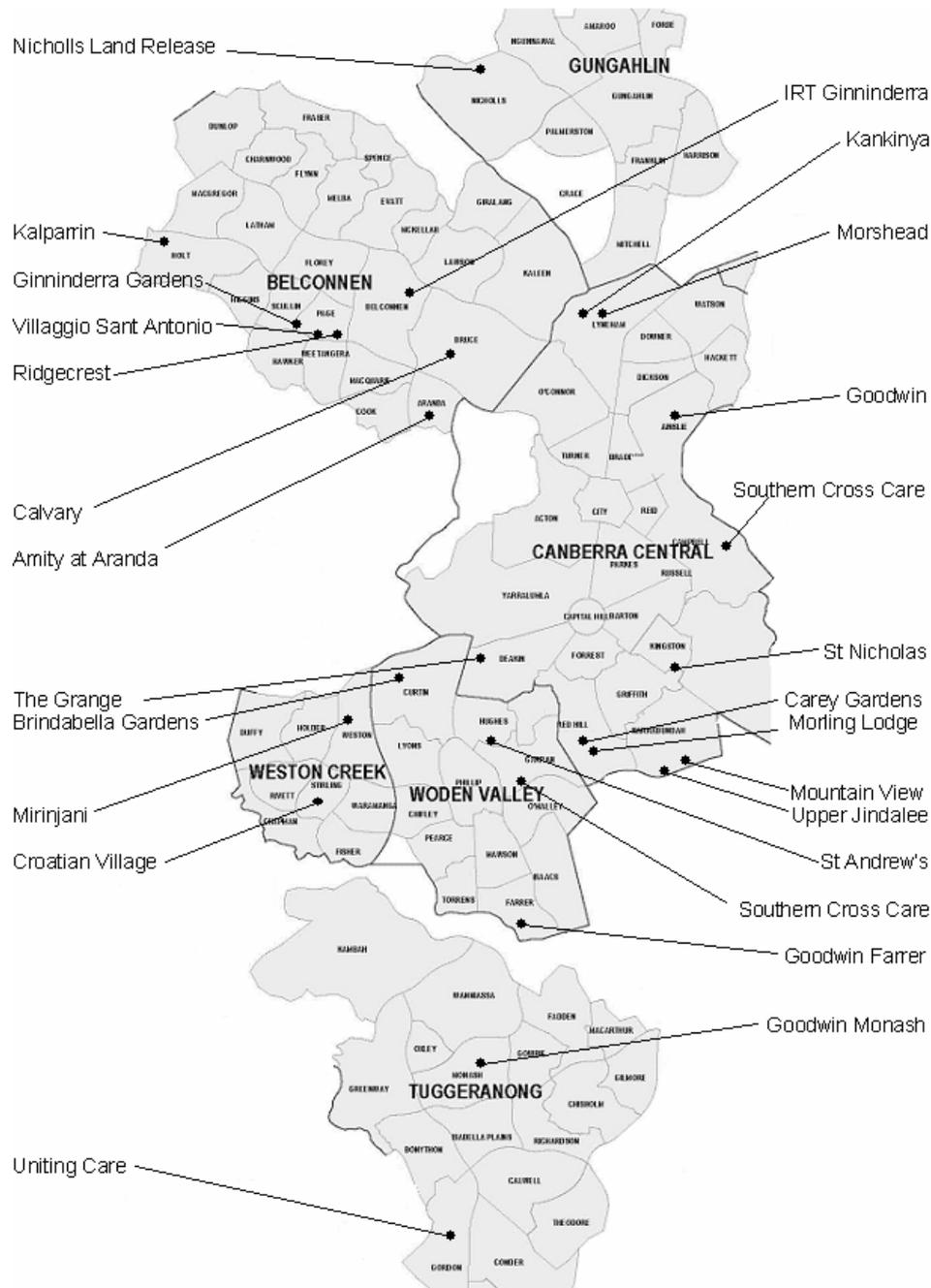
- The percentage increase in population aged 60 and over compared to the overall increase of 55% from 2004-14 (shown in brackets);
- The size of the total aged population now and in the future. Areas are grouped on the basis of having populations aged 60 and over of more than or less than 7,000, the midpoint of the size distribution for the aged population of the nine areas in 2014. It needs to be emphasised that while some areas have very high growth, their total aged population even in 2014 will be smaller than other areas with lower growth; the aged population in 2014 projected for each area is also shown in brackets.
- The location of existing retirement accommodation, with areas with low provision at present having the highest potential for further development. Growth potential to fill this gap is assessed as high, medium, and low, shown as H, M or L, taking account of the scale of potential development as well as existing provision. The potential for redevelopment of existing facilities is not taken into account, although experience shows that redevelopment could result in increases of say 25% over existing provision.

**Table 2: Growth potential for retirement accommodation in local areas**

Growth of pop. aged 60+	Population aged 60+ in 2014	
	More than 7,000	Less than 7,000
Higher	H North Tuggeranong (106%, 11,000) H South Belconnen (46%, 10,000) M North Belconnen (91%, 7,550)	M South Tuggeranong (116%, 5,500) M Gungahlin (152%, 4,800)
Lower	M North Canberra (21%, 8,600) M Woden Valley (21%, 8,200)	L Weston Creek (39%, 6,200) L South Canberra (30%, 5,800)

Future releases of land for retirement accommodation need to be guided by these demographic shifts, with a mix of sites of different sizes to respond to the scale of demand in different areas.

**Figure 3: Location of existing RACH and ILUs and recently released sites designated for further development**



Future development also needs to recognise demand coming from particular groups within the older population. The profile of Canberra's multicultural population<sup>3</sup> shows that the Italian, Greek and Croatian communities are the largest communities and will continue to grow for some time. These communities already have ethno-specific RACH, reflecting the recognition of special need in the Commonwealth planning processes. The only other communities with significant numbers of older people are those from the Netherlands, Germany, Poland and the former Federal Republic of Yugoslavia; the first

<sup>3</sup> ACT Chief Minister's Department. 2003. *A social and demographic profile of multicultural Canberra*. CMD: Canberra.

three of these communities are already aged and numbers will diminish rather than increase in future. The small size and the relative youth of all groups suggests that there may be little demand for further retirement accommodation from these communities.

It should be noted that the location of RACH and retirement accommodation *per se* affects the distribution of the aged population overall only at the margins, as only a small number of those aged 60 and over live in these forms of accommodation. The distribution of RACH is based on the existing population aged 70 and over in the planning regions used by the Commonwealth and so tend to follow the existing distribution of the aged population. Residents of any RACH are also drawn largely from local areas, so again there is little effect on the distribution of the aged population.

Larger developments of retirement accommodation can result in high concentrations of older population in particular localities, but these are not sufficient to influence the overall distribution at the regional level shown in Figure 2. The effect of any large developments located in green fields sites in the future would be to make the young populations of such areas somewhat older than they would otherwise by drawing in an additional older population, but again numbers would be small compared to local populations.

Finally, it has to be recognised that residents in retirement accommodation and RACH in Canberra include some who have moved from rural areas of the ACT and nearby areas of New South Wales. Such in-movement is likely to be balanced by older Canberra residents moving away. The development of further retirement accommodation may attract more retirees from the region in future, but numbers will remain small compared to demand coming from the local Canberra population.

## 1.2 Social trends and expectations

### Sea-changers or tree changers

Much has been made of the changing expectations of ageing baby boomers, and how they might use their considerable housing assets to support their chosen lifestyles. While the popular accounts of Bernard Salt<sup>4</sup> have boomers carrying their “have it all” lifestyles through to retirement, other analysts present far more diverse, and often less optimistic accounts of how well the baby boomers are prepared for retirement<sup>5</sup>, and how well their incomes and assets will last through a retirement of 25 years or more<sup>6</sup>.

The ACT baby boomers include a mix of the first generation to be born and raised here, and others who came to the ACT in their early adult life and then raised their own

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<sup>4</sup> Salt, B. 2006. *The Big Picture: Life, work and relationships in the 21st Century*. Hardie Grant Books: Melbourne, and Salt, B. 2001. *The Big Shift*. Hardie Grant Books: Melbourne

<sup>5</sup> See for example the review of research by Quine S & Carter S. 2006. Australian Baby Boomers expectations and plans for their old age. *Australasian Journal on Ageing*. 25:1:3-9, and Chalmers J & Norris. 2001. *Early retirement: Does it lead to dependency on income support?* SPRC Report 4/01. Social Policy Research Centre, University of NSW. Sydney.

<sup>6</sup> See the analyses carried out by NATSEM: Kelly S, Harding A & Percival R. 2002. *Live long and prosper? Projecting the likely superannuation of Baby Boomers in 2020*. Paper presented at the 2002 Australian Conference of Economists Business Symposium 4 October. NATSEM: Canberra. [www.natsem.uc.edu.au](http://www.natsem.uc.edu.au), and Kelly S. 2002. *Income and assets of NSW Baby Boomers in 2020*. Paper presented to The Future of Ageing Conference, Coff's Harbour, NSW, 20 February. NATSEM: Canberra. [www.natsem.uc.edu.au](http://www.natsem.uc.edu.au).

families there. Together these baby boomers have a number of distinctive characteristics that mean some of the wider generalisations do not apply quite so readily to them:

- While those wanting a ‘sea-change’ on retirement will have to move away, ‘tree change’ retirees can find the clean and green environment they are looking for in the ACT, and also a higher level of services than most coastal and country towns;
- Many of the baby boomers who are now ageing in the ACT settled here in the 1960s and raised their families. Adult offspring and grandchildren in the ACT make for strong family ties that hold retirees the ACT; and
- While the older population of the ACT is less diverse in terms of socio-economic status and related characteristics than in the major metropolitan capitals, there is still a range of income and assets, family situations, cultural backgrounds and lifestyles. There is considerable diversity among those who are considering moving from the homes they currently occupy into some form of retirement accommodation, and in their reasons for moving.

Expectations are also affected by the media and popular journalism, including advertising and reporting in specialist retirement publications that tends to present an up-market picture of retirement living. A recent study that found a trend of “downshifting” among pre-retirement age groups however suggests that even some quite affluent retirees may be looking for a simpler life rather than a perpetual luxury resort lifestyle<sup>7</sup>.

Expectations may not however always be realised, and many changes that occur over the later life cycle give rise to a variety of reasons for moving house, and a variety of retirement accommodation is needed in response. A number of studies of ageing and changing patterns of housing in Australia carried out through the Australian Housing and Urban Research Institute (AHURI) highlight this growing diversity and the source of stimulus for change that include changes in the circumstances of younger adult family members which may result in calls on family assets, as well as changes in the lives of retirees themselves<sup>8</sup>. This research indicates that moving and use of housing assets may be as much a necessity as a choice for many retirees.

The ageing baby boomers are only now starting to reach 60 and it will be decade or more before many begin to consider options for retirement accommodation. While providers are planning for 10 to 20 years ahead, they also recognise that there is a difference between marketing to the high expectations of baby boomers and their adult children, and what the majority could afford. There was a perceived risk on the part of some consumer representatives at the Workshops that provision could converge around a narrow band of relatively high priced accommodation and not provide a sufficiently wide range of options to match the spread of demand.

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<sup>7</sup> Hamilton C & Mail E. 2003. *Downshifting in Australia: A sea-change in the pursuit of happiness*. Discussion Paper No. 50. The Australia Institute.

<sup>8</sup> Reports of these studies that can be found at [www.ahuri.edu.au](http://www.ahuri.edu.au) include Beer A, Faulkner D & Gabriel M. 2006. *21st century housing careers and Australia's housing future: Literature Review*. Positioning Paper. AHURI: Melbourne, Olsberg D & Winters M. 2005. *Ageing in place: intergenerational and intrafamilial housing transfers and shifts in later life*: Final Report. AHURI: Melbourne, and Howe AL. 2003. *Housing an Older Australia: More of the same or something different?* Keynote address at seminar convened by The Myer Foundation and the Australian Housing and Urban Research Institute, Melbourne.

These considerations mean that while the demand for more diversity in retirement accommodation is evident in the ACT, the range is still limited compared to elsewhere in Australia and overseas. Canberra is unlikely to see the condominium-with-golf-course resort style of retirement villages found in Florida, or their local variants found in coastal areas of northern NSW and southern Queensland. Demand for US style “continuing care retirement communities” is largely obviated by Australia’s aged care system, although development of ILUs in conjunction with RACH has many similar features, nor are winters so severe as to require blocks of fully self-contained and serviced housing found in the Nordic countries.

In future, some of the “naturally occurring retirement communities” that have formed on the basis of communities of interest in other countries may emerge in the ACT. Such communities in Canberra might be retired academics and others associated with universities and other tertiary education and research institutions, and defense services personnel, diplomatic and other public service staff returning to Canberra to retire after serving elsewhere in Australia and overseas.

While it remains to be seen how many members of such communities of interest might want to live (rather than only associate) with each other, their representative bodies could be partners in future joint ventures with established providers of retirement accommodation, so that developments could be identified with one or other community of interest. Some of the institutions with which these groups are associated hold land, which could be used in joint ventures.

Providers in the ACT and community groups have already shown they can respond to a range of community needs, including development of ethno-specific accommodation, Abbeyfield Houses and most recently, assisted living apartments. New community groups with an interest in developing retirement accommodation can learn from this experience.

### **Community expectations and neighbourhood change**

Canberrans are seen as being generally very protective of their communities and cautious about any developments that are perceived as changing their neighbourhoods. There is considerable resistance to medium density developments in general, even though a considerable share of new housing development is in this form, on both green fields and redevelopment or infill sites.

Retirement accommodation is a relatively new form of development, and many in the community have limited knowledge of just what it involves, and what it does not involve. A number of events such as the *Aged Care Expo* and *Seniors’ Week* are held from time to time in Canberra with the purpose of promoting positive views of ageing and increased knowledge of retirement accommodation. While these events attract large audiences among seniors, their messages do not necessarily spread to the community as a whole. There are some clear contradictions between wariness of retirement accommodation on grounds of its higher density built form, and welcoming retirees as ideal neighbours who are quiet and very community minded.

In terms of the expectations of older people who may be looking for retirement accommodation, most older Canberrans are unfamiliar with apartment living. But they

have responded positively to retirement accommodation in this form as well as the more traditional villa units. Retirement apartments are a growing form of development in both Sydney and Melbourne, with varying levels of assisted living services available, and can be expected to grow in Canberra.

While assisted living apartments are a distinct segment, there is not necessarily a link between built form and services provided. ILUs in the ACT are increasingly being built in multi-storey blocks rather than villa units, with assisted living services provided to individual residents within each unit rather than automatic provision of the same services to all residents in the one development. Assisted living is thus best seen as one option within the spectrum of ILU provisions that offer different mixes of accommodation and services.

### **Opportunities for downsizing in the general housing market**

Background research provides some insight into downsizing as a driver of demand. A study of housing preferences carried out in 2001 for PALM adopted a life-cycle approach<sup>9</sup>. Consultations with the real estate and building industry sectors identified the pre-retirement group and retirees as having distinctive preferences that made them a clear segment of the housing market. Retirees were reported to be buying into town houses and dual occupancies in established areas, and while preferring to stay in their same neighbourhood, they were prepared to move elsewhere for the ‘right’ development.

Downsizing by way of reduced amounts of open space was a strong motivating factor, but downsizing internal space was not. Retirees traded ‘sideways’ rather than trading down. Security was also important. This segment was already recognised as an active market and one that would grow in the future.

The general housing market was not fully responsive to the demand of older buyers, and a number of interrelated findings were particularly salient in looking to future demand for retirement accommodation:

- older people valued holding onto their existing family home even when selling their housing assets might offer greater financial rewards;
- some older buyers were delaying housing moves because they could not find suitable alternatives, but staying in the longstanding family home was not always the best option when the house was no longer suitable to their needs and large houses, and large gardens especially, could become a burden to them; and
- some were moving into housing that left something to be desired given their particular needs. There was considerable competition with young buyers for town houses, and some medium density developments had unsuitable features such as stairs while lacking other wanted features, such as integrated recreational facilities.

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<sup>9</sup> SGS Economics and Planning. 2001. *ACT housing preferences: Household type and dwelling demand*. Report prepared for Planning and Land Management, ACT Department of Urban Services.

Views expressed at the Workshops reinforced these findings. Four clear messages about the limits to downsizing as a way of adjusting housing in retirement were as follows.

First, downsizing did not always mean down-pricing. Many of those who were downsizing were looking to generate a sum to invest after paying for new accommodation; an investment in the order of \$50-\$100,000 meant that they would still be eligible for a part Commonwealth Age Pension. However, downsizing to a more compact dwelling did not correspond with down-pricing on the general market, and opportunities to move to smaller and well designed housing through the general market were limited even for those whose present house was in the middle to upper price range.

The emerging supply of ILUs was seen to be up-market and aimed at home owners with above average housing assets and who had benefited from the ACT housing boom. While the price of new units has yet to be established and the market has yet to be tested, there was a clear message that to be attractive, ILUs had to be priced somewhat below the price of housing in the local area. For those with more modest housing assets and who are not eligible for Housing ACT accommodation, there are no affordable options in the general housing market. The development of a segment of affordable retirement accommodation was identified as a priority, and ways of responding to this priority are taken up in Chapter 4.

Second, downsizing meant downsizing gardens and open space, but older people wanted to maintain internal space. There was certainly no demand for bed-sitter accommodation, and one bedroom units were reported to be slow to sell. Demand at present was for ILUs with two bedrooms or two bedrooms plus an alcove/study. As the marginal cost of a second bedroom was relatively low, it was felt that lower cost units, whether for rental or purchase, should be two bedroom to provide for siblings and other co-residents as well as married couples.

Couples were noted as looking for three bedroom units, but it was evident that space needs could change over time; the experience that one provider reported was that 60% of new residents came in as couples, but after 10 years of residence, only 25% were still couples. While some also wanted to have a third bedroom room for visitors to stay, particularly children and grandchildren, others felt that short term use did not justify an extra room and that options such as a nearby motel could be more practical.

Third, while downsizers may be willing to trade off small private courtyards for common garden and outdoor recreational space, it is not yet clear how far those wanting to move to ILUs are prepared to trade off some private space for common space in libraries, cards rooms, craft rooms and workshops, and so on. Internal common spaces in many ILU developments are extensive and can add up to the equivalent of an additional room per unit. However, communal open spaces such as paths and roads were frequently used for socialising.

Finally, staying close to their known neighbourhood was important to many retirees. Experience in the ACT indicated that moves to retirement accommodation mostly occurred within a radius of 12km of the former home. A preference for locations close to local shops and services was also evident. Interest in moving to more distant and more self contained retirement villages within the ACT but outside suburban Canberra, had not

yet been tested as no opportunities presented themselves, due mainly to ACTPLA opposition to such developments.

### 1.3 Affordability

Questions of affordability of housing for seniors have generally focused on low-income individuals who have not been homeowners. However a number of recent studies conducted at the National Centre for Social and Economic Modelling<sup>10</sup> and AHURI,<sup>11</sup> suggest that affordability of housing in retirement is of increasing concern to home owners who are asset rich but income poor.

Average house prices provide only a limited view of the housing assets of older people. While the ACT has experienced considerable growth in property values up to the end of 2003, prices have since stabilised. The *ACT Property Market Report* for January 2006 shows that residential property prices have averaged around \$350-\$400,000 over the last two years; house prices are generally above the average and other residential property prices below the average. To the extent that older people live in older houses that may be in need of renovation, more of them may have lower rather than high housing assets.

Three broad groups of retirees who face different affordability constraints can be identified. Each represents a different segment of demand, and the degree to which demand is met varies between the segments.

1. *Low-income renters*: The ACT appears to be well placed in terms of provision of rental housing by Housing ACT. While public housing is affordable for those who are eligible, there are a number of limitations in other areas that point to a possible need for more diverse forms of rental retirement accommodation:
  - Even with delivery of community care services, the level of support is limited as there are no on-site managers or common facilities;
  - Choice is limited for low income renters;
  - Eligibility criteria are strict and those who are just above the eligibility criteria may have very few choices.
2. *Homeowners who are asset rich- income poor*. Some in this group may be looking to downsize their housing by moving to some form of retirement accommodation and at the same time have some funds left over to invest to supplement their income. These individuals can be taken as those whose housing assets are above the average house price noted above. The cost of the accommodation and the conditions of tenure become critical, as both will affect the Age Pension Income and Assets Test. Individuals moving into a retirement village are regarded as homeowners if they pay an entry contribution of more than the “Extra Allowable Amount”, currently \$135,000. As homeowners, their unit is exempt from the assets test.
3. *The in-between group with limited assets and limited income*. This group lies in between those who are eligible for housing provided by Housing ACT and those who

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<sup>10</sup> See NATSEM reports at footnote 6 above.

<sup>11</sup> See AHURI reports at footnote 8 above.

can afford substantial entry payments for retirement accommodation. To the extent that they are likely to be older women living on their own and beginning to experience some loss of independence, they may want more support than fully independent accommodation might provide. These individuals are likely to be either seeking accommodation for which they pay an entry contribution less than the Extra Allowable Amount, or rental accommodation, and so be regarded as non-home owners (and possibly be eligible for Rent Assistance).

## 1.4 Propensity to move

### Motivation and capacity to move

Demand for retirement accommodation of different kinds depends on both push and pull factors that prompt older people to think of moving and attract them to other forms of housing with varying kinds of services. As Table 3 shows however, some of those with a strong motivation to move do not have the capacity to do so, while others have no desire to move even though they have considerable capacity to do so. Although only a minority of older people move to specialized retirement accommodation, propensity to move is influenced by the supply of accommodation that is available. The interaction of push and pull factors means that there is considerable variation across the older population in demand for retirement accommodation and the options that are available will have a considerable affect on the extent to which different segments of demand are realised.

A relatively higher proportion of older people move to aged care for some period before the end of their life, although these moves are perhaps more by necessity than choice. Choice of accommodation in this cohort is largely shaped by anticipated future need for care services.

The different segments of demand set out in Table 3 are also associated with moves at different times related to events in the later life cycle rather than chronological age, with those who move at different stages buying different packages of accommodation and care services.

1. *Early movers.* These movers are young-old couples and individuals who move to pursue active lifestyles. The generally high quality housing of the older population and easy access to local amenities and services may limit demand for early move “lifestyle” retirement accommodation in the ACT, as these retirees will find much of what they are looking for without having to move. Some seeking this form of accommodation may move interstate, be less concerned about future care and be prepared to make a further move if the need for care arises some years into the future.
2. *Mid term movers:* These movers are those already experiencing some limitation in activities or anticipating them, and/or facing social changes such as widowhood or pressure on their income. These individuals are likely to make a move that helps them maintain their independence but also to want assurances about availability of future care services. At the same time, others may be staying in the large family home with a large garden beyond its use-by date in terms of suitability and may represent latent demand for retirement accommodation that will be realised if and when suitable options become available.

3. *Late movers*: Late movers are those who stay in their own family home, or who adjusted their housing in the general housing market, and who remain at home with HACC and other care services in the event of a need for care until they are no longer able to manage. These individuals represent the majority of older people and if they need long term care, it is likely to be after one or a number of acute health episodes and they move from hospital to high care where they remain for only a short time at the end of their life.

**Table 3: Disaggregation of demand by motivation and capacity to move**

Motivation to move	Capacity to move		
	Low	Moderate	High
Low	1. Strong pull to stay: Home owners, satisfied with present housing Renters in public housing	2. Home owners with chronic health conditions, in need of home modifications and aids; increasing use of HACC services.	3. Home owners with higher value housing assets, high satisfaction and capacity to modify if need arises
Moderate	4. Home owners with limited housing assets, and recognising that their present housing is increasingly unsuited to their needs.	5. Push and pull factors finely balanced: Latent demand for retirement accommodation, sensitive to provision of suitable and affordable options.	6. Home owners under pressure to realise housing assets for reasons other than own needs, and to split use of capital, for example, to assist divorced adult children to purchase housing.
High	7. Strong push to move, but very limited options: Renters in accommodation that is poor standard but high cost, mostly private renters	8. Home owners, mainly women of advancing age, living alone. Large houses and especially garden becoming a burden, may be satisfactory physically, but may become socially isolated due to chronic health problems, poor public transport etc.	9. Home owners with adequate assets but facing increasing push factors, e.g. difficulties and cost of maintaining large houses and garden, chronic health problems, widowhood, declining incomes etc.

Consideration of just two factors - wish to move and capacity to do so - is sufficient to show that total demand for retirement accommodation breaks down into many different segments. The segments outlined here have to be disaggregated further when other factors are taken into account. Understanding the main factors that underlie disaggregation of demand is a pre-requisite to developing responses to the different segments that can be identified.

### Deciding if, when and where to move

Deciding if, when and where to move was readily identified as one of the major decisions that many older Canberrans have to make, and there was a widely perceived need for assistance in making decisions about moving from their current homes to some form of retirement accommodation. While recognising that *most* people wanted to stay in their own home for *as long as possible*, and the majority did so for most of the time, it was argued at the Workshops that most did not mean *all*, and for as long as possible did not mean *forever*. Many people found that their houses and especially large gardens were

increasingly unsuited to their needs as they aged and dependency increased, and limits to staying at home arose from social isolation as well as from physical factors.

The needs of other family members also needed to be considered, whether these involved lessening demands on family caregivers or realising assets to assist adult children facing financial demands for various reasons. It was especially emphasised that not all seniors have family, and that those with no adult children, or at least none in close proximity, constituted a particular segment of demand.

Moving at the right time was critical to maintaining independence. Some individuals could be effectively trapped in their own home because they were unaware of the options available or their preferred options were not available. Those who had moved expressed high levels of satisfaction with their new environments, giving probably the best endorsement for moving.

Present advisory services seemed to focus on different aspects of staying or moving:

- “Staying put” advice was available on home safety and security, assessment for home modifications, and provision or rental of aids and equipment. There was wide recognition of the contribution that home modifications, aids and equipment could make to staying at home and promoting independence, but services are fragmented and access can be confusing. It was also noted that accessible design and provision of aids and equipment was an important part of the environmental support available in retirement accommodation that merged into assisted living services.
- “Moving out” information is available in a number of guides that provide general advice and basic information on accommodation available in the ACT. The *Guides to Aged Care* compiled by DSP Publishing and available in hard copy and via the internet are a comprehensive resource on RACH12, and the Council on the Ageing (ACT) compiles a listing of retirement accommodation. Admission to residential aged care or receipt of a care package requires an ACAT assessment and the ACAT also provides advice on care services at home. However, it is focused on very frail older people and not well placed to provide more diverse advice on housing options to the older population more generally.

There is an evident gap in advisory services that could help seniors and their families weigh up the balance between staying and moving. For example, extensive and expensive home modifications may only achieve a half-measure when other aspects of housing and social support are unsatisfactory; moving may be a better solution in some cases. A service bridging those already providing advice on staying put, or moving out, is needed to help individuals assess when a move might be in order, explore the different options available, and canvass the implications for Age Pension income and asset testing and future access to residential aged care.

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<sup>12</sup> DPS Publishing, *Guide to Aged Care: NSW and ACT. 2005*. DPS Publishing: Adelaide. The DSP Guides are updated annually and are available through [www.dspublishing.com.au](http://www.dspublishing.com.au) and in hardcopy through outlets such as outlets such as Carelink Centres.

Neither Carelink, Centrelink nor the ACAT are seen as appropriate agencies to take on this role. While providers reported being approached by many people who were thinking of moving, and playing a role in providing information and advice, they also recognise the value of being able to refer inquiries to an independent advisory service that could cover the full range of options. The possibility of expanding the advisory service already provided by the Council on the Ageing (ACT) was flagged at the Workshops, but resourcing and capacity implications were not discussed further.

### **Strategy 1: Support an advisory service to help seniors decide whether to stay or move**

#### Actions

- Formulate the scope of an advisory service in consultation with consumer groups, existing advisory agencies and providers;
- Identify existing candidate agencies to provide the service;
- Fund as an information and advisory service under the HACC Program;
- Collaborate with others in activities such as production of guides and referral for services that can assist seniors to stay at home or to move.

### **Aids and equipment for use at home, in ILUs and RACH**

Aids and equipment are recognised as particularly useful in assisting people to remain at home, but access to these services is complicated by the different options available through different channels. These multiple channels can make it difficult for individuals to find the service best suited to their needs.

The main agencies that currently provide aids and modifications are:

- HACC, through Handy Help, a separate service to home care;
- DVA Veterans' Home Care has a large component of provision of aids and equipment, minor modifications and maintenance;
- Housing ACT Home Modifications Program;
- ACT Health provides occupational therapists to advise on aids and modifications;
- The Independent Living Centre provides advice and demonstrations only and is not a retail outlet;
- Canberra Hospital provides aids and equipment needed on discharge from hospital, on a loan basis.

Demand currently exceeds supply. The budget for the Housing ACT home modifications program is currently around \$650,000 annually, and is unable to meet demand. The HACC program also provides smaller modifications and equipment or aids, yet again demand exceeded supply. Additional funding can assist a large number of clients because most aids and equipment are low cost items. Further, because purchase of aids and equipment is often one-off, some individuals can afford to buy their own, but may not be able to find advice as to what is most appropriate for their needs, or a ready retail outlet. While pharmacies increasingly have small sections selling aids and equipment, Canberra does not yet have a specialised retail outlet, as do other capital cities.

**Strategy 2: Increase help with staying at home through expanded access to home modifications, aids and equipment**

## Actions

- Take steps to improve referral and coordination between existing agencies;
- Ensure equitable access to home modification, aids and equipment services in different parts of Canberra;
- Increase access to new technologies;
- Increase funding for these services, noting that many clients can be assisted as the unit cost of services is low; and
- Explore the interest in a commercial outlet for aids and equipment, in conjunction with ACT Health, noting that such an outlet could also be a supplier to community and residential care providers.

## 2. Supply Factors

*Supply side factors shaping provision of RACH and retirement accommodation are taken up in this chapter. Recent trends in the supply of RACH are outlined first, trends in provision of retirement accommodation are reviewed next and future trends for both are then modelled.*

*Unlike supply and demand in the general housing market that depends on the decision of large numbers of individual buyers and sellers, the choices available in aged care and retirement accommodation depend to a large degree on the decisions made by suppliers as to the kinds of accommodation and care that they will provide. The most constrained choices are in residential aged care where both provider and consumer options are shaped by Commonwealth policies and programs. Residential aged care thus provides a clearly defined starting point for examining recent trends across the wider spectrum of retirement accommodation. Further, in the ACT, ILU development has generally been associated with RACH and there has been very little separate development of retirement village accommodation of different forms.*

*Demand and supply of different types of accommodation and care are closely interlinked: demand comes from much the same segment of the total aged population, and the same providers are commonly involved in supplying different forms of aged persons' accommodation. These links also mean there is a degree of substitution in both supply and demand at the margins between different kinds of retirement accommodation and at the margin with low care RACH.*

### 2.1 Recent trends in supply of Residential Aged Care

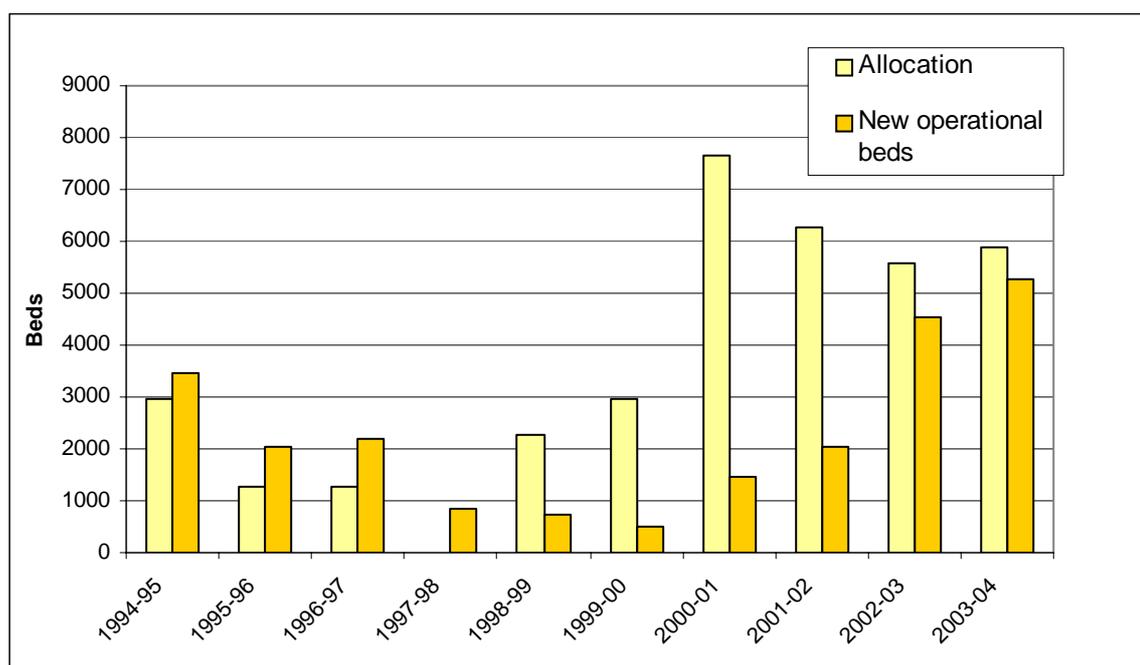
While the Commonwealth controls the provision of residential aged care through a needs-based planning process, growth has been very uneven over the last 10 years. Figure 3 shows a trough in new allocations from 1995-96 to 1997-98 followed by very high numbers of allocations nationally, peaking at over 7,000 in 2000-01, and then continuing at around 5-6,000 beds annually<sup>13</sup>. The lag time for allocated beds to come into operation meant that very few new beds were added to provision from 1997-98 to 1999-2000. Numbers then began to climb, especially from 2002-03 as the peak of allocations in 2000-01 began to come into operation. The allocations made in the ACARs since 2003-04 and the indicative figures published for future years suggest that growth will be steadier for the next few years.

#### Overcoming the current shortfall in RACH

Provision in the ACT and most states fell below the Commonwealth planning benchmarks around 2000, and is only now recovering. Allowing for one 70 bed RACH among the number of RACH now being developed to be completed by the end of 2006, it is estimated that there will be 1,633 beds available at that time. Table 4 shows that this provision is a shortfall of 342 beds compared to the Commonwealth benchmark of 88 beds per 1000 aged 70 years and over.

<sup>13</sup> Australian Institute of Health and Welfare. 2005. *Australia's Welfare 2005*. AIHW: Canberra. AIHW Cat. No. 65.

**Figure 4: Residential aged care new allocations and increase in operational places in Australia. 1994-95 to 2003-04** Source: AIHW Australia's Welfare 2005, p. 174



**Table 4: Projection of residential aged care beds to meet Commonwealth planning benchmark**

Year	Pop 70+	Beds at benchmark of 88/1000 aged 70+	Increase from 1633 beds available at end 2006 to reach benchmark		
			5 yearly increase	Cumulative increase	% cumulative increase
2006	22445	1975	342	342	20.50%
2011	27103	2385	410	752	45.06%
2016	34112	3002	617	1369	82.02%
2021	45245	3982	980	2349	140.72%
2026	54717	4815	834	3182	190.66%

Table 4 also shows the beds needed to reach the Commonwealth benchmark over the next 20 years. Sustained growth will be needed over the whole period. In the immediate five years to 2011, a total of 752 additional beds will be needed to reach the benchmark, well over two new 60 bed homes each year.

Actual short term (to 2011) supply will be provided by three sources:

1. A total of 561 RACH beds already allocated in the ACT, most of which are expected to come into operation over the next five years. It should nonetheless be noted that this number refers to beds allocated, and the rate at which they are constructed and become operational is subject to how providers manage the staging of different projects that they may have underway or planned over any period, including development of ILUs.
2. A further 191 allocations will be needed to meet need projected for 2011. This need will be substantially addressed in the allocation of 174 beds in the Aged Care

Approvals Round (ACAR) for 2006-07. The outcome of the ACAR will be announced in late 2006 or early 2007 and the first of these beds can be expected to come into operation from 2009, with most in operation by 2011. Lead times are likely to be shorter where bed allocations are made as additions to projects that are already underway, but may be longer when allocations are for fully new projects. While the Commonwealth provides part allocations for new projects, presumably to give a number of service providers the confidence to proceed with pre-construction planning, it has not resulted in shorter timeframes for the delivery of projects.

3. The level of continuing need is seen in the increases in bed allocations over those indicated for the out years in the 2005-06 ACAR. The actual allocation for 2006-07 was 174 beds compared to 75 previously indicated, and the number indicated for 2007-08 increased from 49 to 137, and is 169 for 2008-09. While a total of 306 allocations can be expected between 2007 and 2009, few of these beds are expected to be in operation by 2011. The only exception that could arise would be if any providers were successful in applying to have some existing ILUs approved for an allocation of low care places. While the Commonwealth allows such approvals, ACT planning provisions appear to pose obstacles.

Beyond these sources, two proposals for some 118 RACH beds known to be an early stage of planning in 2006 are not sufficient to reach the allocations indicated for future years and additional proposals will be required if all allocations in the out years are to be taken up. While ACARs have always been over-subscribed to date, the lead-time between initial conception of a proposal and readiness for submission to an ACAR is growing and action may be needed to promote proposals.

Bringing all current and future bed allocations into operation in a timely manner will place both providers and ACT government agencies involved in planning under continuing pressure. Planning measures to assist in development of proposals for submission to ACARs and subsequent timely development once allocations are approved are discussed further in Chapter 6.

## **2.2 Recent trends in supply of retirement accommodation**

### **Apparent “surge” of ILU development**

It is estimated that 1,093 ILUs will be available in the ACT at the end of 2006. This level of provision includes six developments with a total of 172 units currently under construction and near completion. Most of these developments involve additions to existing ILU developments, and include some redevelopments in conjunction with RACH. A further 440 ILUs will eventuate from four developments for which DAs have been approved or are in train.

Taken together, these developments will result in a 55% increase in ILUs. The short time in which these developments have been proposed gives the appearance of a surge of ILUs compared to the low level of development over the preceding five to 10 years. This surge is however somewhat more apparent than real when it is recognised that these units will come on stream over at least five years, at an average of around 90 units a year. The staging of larger scale developments will further spread growth over a number of years.

Identifying the factors underlying the upsurge of proposals for ILUs and the timing of their subsequent development is a useful starting point for considering future trends in supply and demand. Among the factors identified as contributing to increased supply are:

- provider estimates of unmet demand;
- increased opportunities for bringing HACC and CACPs into ILUs;
- availability of subsidised land;
- land releases of sites which stipulate the provision of large numbers of ILU;
- less onerous regulatory requirements compared to provision of RACH;
- opportunities for enhancing viability of associated RACH; and
- absence of competition from private sector retirement village development.

These factors show the importance of the interplay between the planning, financing and regulatory regimes covering ILU and RACH. There is however no formal recognition of ILUs in the Commonwealth's planning processes for RACH, nor any indication of a normative level of ILU provision that might be expected relative to RACH provision. One factor that inhibits the specification of any such a balance is that the ratio used for planning RACH has been adjusted from time to time. In the mid 1980s, the ratio was set at 100 beds per 1000 aged 70 and over, divided between 40 nursing home and 60 hostel places, but had fallen to 88 beds per 1000, with the balance of 40 high care and 48 low care places being moderated by ageing-in-place. Adjustments in the ratio have been made to take account of new modes of care, with an additional 20 CACPs per 1000 taking the total ratio to 108 places per 1000.

The rapid growth of ILUs also gives rise to two further questions:

- is there a risk of oversupply?
- how do newer ILUs differ from previous ILUs?

### **2.3 Supply model for ILUs in the ACT**

#### **What is the demand for ILUs?**

No market research is available on the level of overall demand for retirement accommodation in the ACT or preferences for different types of accommodation currently available or other preferred options. To address this gap, a demand model has been built on the basis of the findings of a national survey of resident funded retirement villages conducted by researchers at the University of Queensland in conjunction with the Retirement Villages Association of Australia in 2000<sup>14</sup>. Details of the parameters used in the modelling are given in Appendix 4.

The UQ/RVAA study indicates that the population base appropriate for modelling demand for retirement accommodation is younger than that used for planning RACH. Accordingly, the population aged 60 and over is used here, and RACH provision is

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<sup>14</sup> Stimson R.J. Editor. 2002. *The retirement village industry in Australia: Evolution, Prospects and Challenges*. Centre for Sustainable Urban and Development, University of Queensland: Brisbane.

modelled on the population aged 70 and over. While some providers argued that age 70 and over was too young a cut-off for the RACH population, and that increasing rates of provision should be allowed for successively older cohorts instead of a flat rate, there is little indication that the Commonwealth is likely to move from planning on the basis of the population aged 70 and over. Baseline provision for modelling is the estimated 1,093 ILUs expected to be available at the end of 2006. Allowing for occupancy of 1.25 residents per unit, or a couple in one out of four units, 2.9% of those aged 60 and over will then be living in retirement accommodation.

Three models are developed with the proportion of the population aged 60 and over living in retirement accommodation set at:

- 2% for the low demand model;
- 3% for the medium demand model; and
- 4% for the high demand model.

While these may seem only minor differences, the low demand model is 50% below the medium model and the high demand model is 50% above, and the three models result in a wide range of outcomes.

### **Supply projections using the models**

The outcomes of the three models are set out in Table 5. Four features of the outcomes warrant comment:

- There is a four-fold difference between the low and high demand models over 20 years. This wide divergence demonstrates the differing outcomes that result from different models and point to the need to monitor trends in provision and take up, to plan for steady growth and a reasonable match between supply and demand.
- All models generate higher growth in the 2006-2011 period than in later periods. This outcome reflects the differential growth of different cohorts within the aged population, and particularly the trend for the 60-70 year age group that accounts for a large share of the total population aged 60 and over. This outcome contrasts with the demand estimates for RACH, which are based on the population aged 70 and over, which shows sustained growth over the 20 year period (see Figure 1 and Appendix 3).
- All three estimates for ILUs show five yearly and cumulative demand for ILUs running well below demand for RACH. This balance could however change with increasing diversification of provision at the boundary between ILUs and low care RACH as discussed below.
- Although the number of ILUs and the number of RACH beds currently being developed is similar, the model outcomes differ. Much of the RACH development will go to overcoming the current shortfall, and to the extent that ILUs have been a partial substitute for low care RACH in recent years, this “substitute” demand may abate. However, the outcomes of the models indicate that pressure for further development of RACH is greater than demand for additional ILUs, and should the needed development of RACH not

eventuate, there will be a continuing segment of substitute demand at the boundary between ILUs and low care RACH.

- It should be noted that the models do not take account of the development of apartments in the general housing market in the ACT, in which residents could receive a range of support and care services, or retirement villages in adjacent areas such as the Southern Highlands or the south coast of NSW that could be especially attractive to ACT retirees. Such developments could offer alternatives to ILUs and so could moderate demand in the ACT, especially for retirement accommodation focused on recreation and lifestyle.

**Table 5: Demand for Independent Living Units, modelled at low, medium and high demand compared to 2006 provision of 1093 units**

	Estimated demand at % pop. 60+ living in ILUs	Additional ILUs over 5 years	Cumulative increase over existing ILUs	% Increase over existing ILUs
<b>Low demand model: 2% population aged 60+ living in ILUs</b>				
Figures in brackets indicate excess over existing provision in 2006				
2006	759	-	(334)	(31%)
2011	974	215	(119)	(11%)
2016	1167	193	74	7%
2021	1354	187	261	24%
2026	1533	178	440	40%
<b>Medium demand model: 3% population aged 60+ living in ILUs</b>				
2006	1139	-	46	4%
2011	1461	323	368	34%
2016	1751	290	658	60%
2021	2031	280	938	86%
2026	2299	268	1206	110%
<b>High demand model: 4% population aged 60+ living in ILUs</b>				
2006	1518	-	425	39%
2011	1948	430	855	78%
2016	2335	386	1242	114%
2021	2708	374	1615	148%
2026	3065	357	1972	180%

### Provision under low demand model

Existing provision of 1,093 ILUs in 2006 is 334 in excess of estimated low demand for 759 units, a difference of 31%. The low demand model suggests current provision would be sufficient to meet demand until 2016, and that only 200 additional units would be needed in each five year period thereafter.

As all existing ILUs are occupied, and providers report strong sales and interest in new units, it is apparent that the low demand model is below actual demand.

### **Provision under the medium demand model**

The immediate outcome of the medium demand model accords closely with existing provision, with a difference of only 46 units between estimated demand and actual provision at the end of 2006.

By 2011: Demand is estimated at 1,461 ILUs, requiring an increase of 323 over 2006 provision. This increase is some 70 units less than the 440 ILUs expected to be developed in the next five years, a margin of less than 4% of total estimated demand. This margin is acceptable as not all the expected developments may be completed over the next five years. Almost six out of 10 of all ILUS expected to be available by 2011 will be in one of four large-scale new developments, and the staging of these large developments can be adjusted in response to fluctuations in demand.

By 2016: Demand for a further 290 ILUs is estimated. At present, only one proposal for a 150 ILU development has been identified that would be likely to come on stream between 2011 and 2016 if it proceeds. There is thus an estimated demand for a further 140 ILUs. Should a further proposal for a large-scale development eventuate, there would be little scope of other developments. In the absence of such a further proposal however, there would be opportunities for a number of smaller developments, including infill developments, either as stand alone operations or operated by existing providers. With three large scale ILU developments already underway and a fourth anticipated, there may be advantages in fostering more diversity of provision by way of smaller scale developments rather than another large-scale project.

By 2026: Demand is estimated to increase by some 550 ILUs over the 10 years from 2016 to 2026, an average of around 50 units a year. This growth could be realised by a combination of a one to three large-scale developments, of 100 to 150 units, combined with a number of smaller developments.

### **Provision under the high demand model**

The high demand model predicts demand in 2006 for 425 ILUs above existing provision, and for another 430 ILUs by 2011. The addition of a total of 855 units in five years would mean an increase of close to 80% over existing provision. Providers have not identified such a high level of demand and it is unlikely that the sector could achieve a level of development to meet such demand, as well as meeting the continuing demand for development of RACH.

### **Conclusion: the medium demand model is the most likely scenario**

The medium demand model is seen to generate the most likely outcomes on a number of grounds:

- The short term outcome accords closely with current capacity of retirement accommodation, and with the level that will be realised over the next five years from developments that are already underway.

- Growth of around 7% per annum in provision of ILUs is above, but consistent with, the 5% growth of population aged 60 and over, and allows for the compounding effect of ageing within the aged population and higher demand from among the old-old compared to the young-old cohorts.

The longer term implications of the medium demand model are:

- Provision of ILUs in 2026 is estimated at just under half the RACH provision, 2,299 units compared to 4,815 beds. This balance of one ILU for every two RACH is similar to current balance, especially when allowance is made for the shortfall of RACH.
- Given that much of the ILU development is likely to be carried out by RACH providers, the medium demand model is best able to accommodate adjustments at the boundary between ILUs and RACH by way of substitution of RACH with ILUs with added support services.
- It is not possible to specify an ideal or necessary balance between RACH and ILUs, but the model allows for monitoring of any marked shifts in balance. In particular, advice on any emerging shifts in the balance of ILUs and RACH will also assist individual providers decide on the balance they are going to provide and how to adjust this over time. For example, one large provider indicated that the organization aimed to provide three ILUs to two low care places to one high care place in their developments in NSW. Other providers offer a different balance.
- Over the long term, demand could best be met by planning for a mix of larger and smaller developments to provide more choice for consumers and give providers more flexibility. A greater mix of developments of different sizes would also be in line with Housing ACT's move to smaller and more diverse developments. These planning issues are taken up further in Chapter 5.

The medium demand model provides a useful basis for assessing whether, in the absence of any other benchmark, proposed development is likely to run markedly below or ahead of likely levels of demand. It can also provide a possible benchmark to assist planning for an even rate of expansion in line with growth of the aged population over time and so avoid “boom and bust” cycles that could have adverse effects on providers and consumers. It especially signals the value of spreading large-scale developments over time, the desirability of staging the rate at which these developments come into operation, and the potential for smaller additions to smooth out overall growth in intervening years.

To these ends, the medium demand model is seen to provide a starting point for developing a planning framework. It is stressed that the model presented here, or any variant of it, is not setting a benchmark for provision of ILUs akin to the ratios used in Commonwealth planning processes for RACH. Rather, the aim is to assist achieve a steady rate of development and give advance notice of impending changes in the balance between ILUs and RACH. A planning framework can also use diversity of developments to manage growth by mixing large and smaller projects, and involving a range of providers on their own or as partners in joint ventures with other parties who hold land or have relevant expertise, such as Housing ACT.

### Strategy 3: Adopt and refine a planning model of ILUs and RACH

#### Actions

- Adopt the medium demand model, based on 3% of the population aged 60 and over living in retirement accommodation, to guide planning of ILUs, and apply the model to *monitor potentially excessive development rather than to promote development up to the 3% level* as any shortfall that emerged could indicate lack of demand.
- Develop the planning model further to take account of:
  - data from the 2006 Census and new projections;
  - data on the age of residents of ILUs to refine rates of take up of ILUs among different age groups and changes in the age structure of the total older population to 2026;
  - short, medium and long term scenarios with adjustments made over time to take account of the rate of realization of developments;
  - changes in the balance between demand for ILUs and RACH, the potential for substitution at the margin between the two,
  - on-going diversification of provision, including possible joint ventures; and
  - actual development of both ILUs and RACH in the region in each five-year period.
- Review and refine the model in 2008.

### 3. Implications for Future Demand and Supply

*This chapter takes up the implications of the trends identified in the preceding chapters for future demand and supply of retirement accommodation and residential aged care. It canvasses the extent to which future development is likely to see, and in turn be shaped by: increases in the mix of providers, the mix of services, in the market for assisted living, in accessible and adaptable housing and in the range of other options for retirement accommodation.*

#### 3.1 Increasing the mix of providers

Understanding who is likely to be involved in development of ILUs and RACH is critical to understanding trends in provision, as the decisions that providers make on the mix of different forms of ILUs and/or RACH will be central to shaping the future supply of retirement accommodation. In contrast to the needs-based planning of residential aged care, the supply of retirement accommodation has been far less constrained, and different segments have developed at different times, with responses shaped by changes in related Commonwealth and ACT Government policy and provider assessments of demand.

Five different segments of current provision in the ACT are summarised in Appendix 5.

This current segmentation sets the template on which future development will build, and the extent to which emerging demand is met will depend on the capacity of different segments to respond to future demand. When assessing who is most likely to provide retirement accommodation in the future, some key considerations are:

- Most providers have a foot in both the RACH and ILU camps: almost all the providers of other forms of retirement accommodation in the ACT are also Approved Providers under the *Aged Care Act, 1997*. This dual role dates back to involvement in the development of ILUs under the Aged and Disabled Persons Homes Act from the mid 1960s to mid 1980s.
- While the interest of large not-for-profit providers operating in NSW and other states has increased in recent years, only one major national for-profit retirement village provider has entered the ACT market; it appears that others perceive the ACT market as small and possibly hard to break into given that a number of providers are well established, and have chosen instead to expand their operations in other states.
- Not-for-profit providers dominate the ILU developments that are underway or being planned for the future. These developments have been identified from approaches made to the Chief Minister's Department, and there may be other private sector developments being considered that have not yet been identified.
- The extent to which existing providers undertake future provision increases the potential for development of more but smaller scale projects that complement providers' established operations, rather than fewer, larger scale projects. This pattern of dispersed sites also raises the possibility of having

service delivery across several sites managed by the provider, or by a separate management entity.

- The location and scale of developments that providers are ultimately able to undertake will be shaped by land availability and timing of land releases. These parameters are in turn shaped by decisions of the ACT Government and are taken up in Chapter 5.

### 3.2 Increasing the mix of services

The boundary between residential aged care and other forms of retirement accommodation is becoming blurred more and more with increasing flexibility in models of care provision in different settings and in financing models. Table 7 provides a schematic view of the extent of overlap in levels of care that are now being provided in retirement accommodation relative to RACH. Among the factors driving the development of alternatives are:

- Individuals seeking admission to low care RACH with very low care needs, although needing social support and likely to be classified as category 7 or 8 on the *Resident Classification Scale* are finding it increasingly difficult to gain access. Providers have seen ILUs as an alternative for this group as the environmental and social support provided in ILUs can meet the support needs of these individuals. In addition, increasing dependency has been met with provision of additional services, including CACPs, thus enabling these residents to “age-in-place” until a high level of nursing care becomes necessary.
- The introduction of Accommodation Bonds for low care RACH has made ILUs offering a full unit, rather than a bed-sitter with en-suite, much more competitive in price comparisons.
- The Commonwealth has actively promoted the delivery of CACPs in ILUs and retirement villages for some years now. Following a successful pilot, the Commonwealth has provided CACPs specifically for delivery in retirement villages was announced in mid 2006. These initiatives make it somewhat easier for ILU providers who are also CACP providers to secure further allocations of CACPs to be delivered in their associated retirement accommodation as well as to clients living in the community at large.
- Demand for low care has been reduced by the increasing role of at least some providers in delivering CACPs and residential respite care.
- While people moving into ILUs are still largely independent, many experience a range of chronic conditions and minor limitations and hence look for environments that can offer more support and care services in the future. Independent living in the context of ILUs does not mean that all residents are fully independent but rather that modified environments and a number of other features inherent to this form of retirement accommodation promotes and support independent living even when the resident has some degree of restriction in activities of daily living. The emergence of Assisted Living is a response to growing demand for such support services as distinct from care services.

These changing boundaries mean that the one provider does not have to establish separate facilities offering different levels of care to cover what has previously been termed a “continuum of care”. Instead, service provision that is more responsive to client needs can be achieved by delivering different mixes of services across several forms of accommodation, including the individual’s own home in the community.

**Table 6: Levels of care provided in Retirement Villages and Independent Living Units compared to residential aged care**

RCS	Retirement Villages	Independent Living Units	Low Care RACH	High Care RACH
8	Independent Villa Unit	Independent Living	Not funded	NA
7	<b>Assisted Living in serviced apartment or through optional assisted living services delivered in ILU</b>		Social Support and Personal Care	NA
6				
5	Needed care services provided through HACC and CACPs			NA
4	EACH and Each Dementia		Ageing In-place	<b>24 hr nursing care</b>
3				
2				
1				
Covering legislation	ACT Retirement Villages Industry Code of Practice		Commonwealth Aged Care Act 1997	
Assessment required	Entry is at choice of the resident and no formal assessment is required Intending residents may be assessed by provider. ACAT assessment required for CACP		Must be assessed by Aged Care Assessment Team	
Resident Dependency	Residents range from very independent retirees with active lifestyles to frail residents receiving additional services. Residents able to access HACC and CACPs subject to relevant assessment and charges.		Admission and level of care based on dependency, rated on 8 level Resident Classification Scale	
Cost of accommodation	Charges vary depending on level of amenity and services offered. Range of accommodation and environmental support and amenity services varies		Accommodation costs covered by mix of Commonwealth benefits and means tested user charges, incl. accommodation bonds in low care and Extra Services high care homes.	
Costs of care services	Additional services can be provided on site as needed or delivered by community service providers Small proportion of serviced apartments may be approved for Commonwealth low care benefits.		Care benefits range from approx. \$10,000 to \$50,000 p.a. (RCS 8 receives no care benefit) Care services standardised	
Standards	No formal regulation of standards for accommodation or services other than ACT Retirement Villages Code of Practice.		Subject to Commonwealth standards for Certification and Accreditation	

Notwithstanding the quite reasonable expectation of those who move to retirement accommodation where both RACH and ILU are provided, access to on-going care is not automatic. The same assessment process apply as to those living in the community, and it needs to be remembered that the great majority of those who enter either low care or high care facilities do so from the community and not from some form of specialised retirement accommodation.

Aged persons' accommodation in Canberra as elsewhere is becoming more diversified. There is an increasing mix of developments at different scales, with different built forms, varying levels of services and prices are illustrated. The following examples illustrate this diversification:

- An expansion of 24 units at Ridgecrest Retirement Village will add to the supply of independent retirement accommodation, but the provider has the capacity to deliver CACPs.
- Three major not-for-profit providers developing large scale ILU projects to complement their RACH have the capacity to deliver additional services to ILU residents in accord with their choices and/or needs. By enabling residents to purchase services such as housekeeping and meals if they choose to, providers can in effect create an assisted living environment, while delivery of CACPs to those who need care services will enable them to “age-in-place” in their ILU.
- A number of small, older ILU developments under the auspices of the Catholic Archdiocese of Canberra and Goulburn have been brought together under Southern Cross Care and a multi-stage redevelopment and expansion is in train. The redevelopment will offer an expanded mix of accommodation and care services across ILUs and RACH. In this model, combinations of ILUs and/or RACH will differ from site to site, but centralised management and coordination of service delivery will enable residents across all sites to receive services in accord with their needs instead of particular levels of services being tied to particular sites.

### **3.3 Increasing the market for Assisted Living**

#### **Defining “assisted living”**

It is not easy to define exactly what constitutes “assisted living” or what defines the boundary between independent living and assisted living. The emergence of assisted living can be seen as a response to the demand for a range of support services on the part of those moving into retirement accommodation. Some of this demand is associated with need for assistance in some activities of daily living along the lines available at the lowest levels of low care RACH, but some comes from residents who prefer and are able to afford to purchase services, such as cleaning and laundry.

Assisted living services have also been associated with payment by those who can afford these services. This provision of assisted living services on a market basis parallels the means testing of fees for services that applies in low care RACH. One outcome of the growth of this market is that the base level of fees in RACH can be kept low by covering only a limited range of support services that are integral to retirement accommodation, with other discretionary services are charged on a user pays basis.

Assisted living has mostly been provided in apartment developments to date, with all residents using at least some of these services, but it is useful to separate assisted living *services* from the forms of *accommodation* in which the service are delivered. While the introduction of assisted living services obviously depends on reaching a minimum scale of effective and economic operation, an independent living unit can become an assisted living unit with the provision of additional services, with the level and kinds of services used depending on individual resident needs and choices, and capacity to pay.

There are no rules about the kinds of services that are integral to retirement accommodation and hence included in weekly fees, and weekly fees varying in relation to the standard of facilities as well as the level of services provided. It is however, possible to describe a gradient from these integral services to more discretionary services that residents expect to pay for on a user pays basis, as follows:

- On-going property maintenance is integral to all retirement accommodation, and ILU residents would not generally be able to access equivalent services through HACC or other programs such as Veteran's Home Care. The cost of major refurbishment is borne by the resident, or covered by deferred management fees when carried out on the resident's departure;
- Access to a manager, ranging from an off-site manager available on call, to an on-site management team that might include personnel such as an activities coordinator and catering manager as well as an overall manager and supervisory staff. Management cost, included in weekly fees vary accordingly;
- Built-in features providing accessible and adaptable environments are expected, and to an increasingly high standard. Some degree of user-pays may come into play if an individual resident requires further adaptations, with costs covered by a combination of sources depending on resident eligibility and means-testing of fees. The cost of further modifications and equipment is, of course, moderated when buildings have been constructed to allow for them, and where providers are able to offer equipment for loan or hire. A particular case in point is the difference between built in call buttons and personal alert call systems that require connection to a monitor in order to provide responses, and for which an additional charge may apply;
- Two other integral elements of retirement accommodation are access to transport and social activities, but the level and forms of provision vary widely;
- Transport by way of a provider operated mini-bus was widely seen as the most essential service, paid for and used. Access to public transport depends on location, while access to specialist community transport services is limited to those with mobility problems;
- Access to some level of social and recreational activities on- and off-site is expected. Provision can range from informal activities only and a simple clubroom, up to facilities such as a theatrette, craft rooms and workshop, with the cost of these facilities reflected in entry prices. In all settings, resident committees have a say in the nature of activities offered, and residents choose the activities they join in, and meet any costs accordingly; and

- Assisted living services that residents typically pay for on a user pays basis include house cleaning and laundry, and may include additional personal care. Food services, mostly in a dining room but allowing for occasional delivery to units, are also typically paid for as used, and can range from basic cafeteria style to restaurants with a la carte service available.

### **Consumer perspectives**

Consumers and providers identified an emerging demand for ILUs providing assisted living services. This demand was set against a background of increasing use of commercial services in the community in general for gardening and house cleaning, but extending to routine shopping and food preparation. Rising incomes of younger and future retirees, changing expectations and availability of family carers, and increasing means testing of subsidised services were seen as stimulating demand. Younger families who were “income rich but time poor” were especially seen to be prepared to pay for such services for older family members so that time spent with them was spent socializing rather than on practical chores.

There was a general awareness that “user-pays” meant that residents and families were prepared to pay for services they selected and used. It did not indicate potential for increased on-going fees across the board. Indeed, keeping on-going fees low gave residents greater scope to choose and pay for discretionary services as they wanted them. This market needs to be clearly separated from use of higher levels of necessary services due to increasing dependency. Those who need assistance may gain access to HACC or other subsidised services delivered by the provider or an outside agency, and pay the relevant income tested fees. ILU providers do not generally provide continuing nursing care of the kind provided through HACC, as only small numbers of residents need this service at any one time and provision through HACC is more effective.

Resident access to CACPs depends on assessment by the ACAT and places being available, and standard income tested fees apply. ILU providers who are Approved Providers under the *Aged Care Act 1997* are able to apply for CACPs and they are increasingly doing so to be able to offer ageing-in-place to their ILU residents and in many cases, to deliver CACPs in the community as well.

### **Provider perspectives**

Providers are finding they can readily deliver flexible levels of care to residents in ILUs, and across different sites, rather than having to group all residents needing a particular level of service in a single setting. The consensus view is that all retirement accommodation should be able to offer a range of levels of support and care in accord with individual resident needs, and that this approach was much preferred to tying defined levels of support in specific forms of accommodation. At the same time, it was not considered necessary for all providers to provide all levels of care, or that those providing accommodation necessarily had to provide the care services. Not only were there options for delivery of care by other agencies, but also no provider offered the full range of services that residents used, with GP and pharmacy service being obvious cases in point.

At least some of the user-pays market is by way of “topping up” hours of subsidised services; where an ILU resident was receiving some subsidised services but wanted

additional support, they or their family were, in some cases, willing to pay for additional hours. Not-for-profit providers who are also providers of HACC services and CACPs are well placed to deliver user-pays, market basis services alongside subsidised services, and all round efficiencies in the scale of operations can be achieved when income from market services supplements program funding. In contrast, some public sector providers are limited in their capacity to sell services either to clients wanting to top-up subsidised services or to other customers. While many families no doubt have privately engaged cleaners, the market potential for organised private community care agencies that are not involved in HACC or related programs appears limited. As well as the small market in the ACT, lack of knowledge of the market limits entry.

Providers recognised that there were limits to the level of support and services that could be provided in ILUs, and that it should be made clear that ageing-in-place in the resident's unit to a very high level of care could not be guaranteed. As well as practical and cost limits, there were limits in terms of compatibility with and disruption to other residents. As with CACPs, access to EACH packages is subject to ACAT assessment and providers and residents want to have a range of options available as individual care needs change.

Finally, there was a need to monitor the impact of delivering services in ILUs to ensure that providers who were involved in HACC and other programs retained their capacity to continue to deliver HACC services and CACPs in the general community.

### **3.4 Increasing the amount of accessible and adaptable housing**

#### **Levels of accessibility and adaptability**

There was widespread agreement among the Workshop participants that those moving into ILUs could reasonably expect their accommodation to provide accessible and adaptable housing in line with principles of universal design. It was also recognised that as well as meeting consumer expectations, ILU developments could provide a demonstration to general housing developers, most of whom have appeared reluctant to take up universal design principles to date. Housing ACT stands out as an exemplar in providing high standards of accessible and adaptable housing in its developments.

While some basic accessibility features were becoming increasingly common and were hardly recognized as anything special, others were less frequently provided even in specialized retirement housing. Options for accessible and adaptable housing can usefully be considered in a tiered progression from basic to more specific features:

- Internal space in contemporary housing is generally sufficient for accessibility. The standard of 85 sq m for two bedroom units is now commonly exceeded with units of 100 to 105 sq m; this extra space allows the 15% required for accessibility.
- Wider doors and corridors and more open space layouts are also common.
- Other desirable features that involved little cost, were accessibility from the street to the front door, and space to move through doors in a wheelchair or with a walker.

- Bathroom features such as hobless showers, structural ply behind walls for retrofitting of rails, readily adaptable toilet traps for installation of raised toilets and wheelchair friendly basins were increasingly common. Stylish design promoted these features as much as concern with accessibility; conversely, unattractive and overly therapeutic-looking design could detract from take-up as much as resistance to principles of universal design. Bathrooms are an expensive part of any housing and it was more cost effective to build these features in from the start.
- Kitchens and laundries presented different challenges. Much new conventional design, such as pull out pantries, is more accessible, and space saving designs such as combined micro-wave/convection ovens and combined washing machine/dryers can help make more space available, but layout needs attention to allow turning space. The difficulty arises in specifying “full accessibility” for wheelchair accessible kitchens and laundries as individual needs vary and adopting a “one size fits all” approach could result in outcomes that were not suited to a particular occupant. Provision for refitting of particular elements of kitchens and laundries on an as-needs basis was seen to be more effective on both design and cost grounds.

### **Measures for promoting accessible and adaptable housing and universal design**

Promotion of accessible and adaptable housing will depend on a combination of measures. Although there are as yet no regulations setting out standards for accessible and adaptable housing, good practice can be promoted through recommendations to planners and practitioners, providing ratings for consumers and rewards for providers. These measures are complementary to standards and will still be needed with the introduction of formal standards.

Standards for accessible and adaptable design are set out in Classification 9 (C) of the Building Code of Australia (BCA). Building to defined standards will be advanced when the standards required for public buildings to meet provisions of the Commonwealth Disability Discrimination Act are announced. To the extent that RACH and ILUs include a mix of public and private areas, they could reasonably be expected to meet the spirit of the Disability Discrimination Act standards even if not legally required to meet the letter of the law.

While building to meet full accessible and adaptable design standards adds to costs, providers and building sector representatives considered that good planning and design could achieve a high level of accessibility and adaptability in ILUs with little additional cost. The extra cost became prohibitive when it approached 10%.

The focus for planning has to be on ensuring basic external and internal accessibility features in all ILU developments from the beginning, including provision for easy adaptation tailored to individual needs as they arise. While good practice is moving in this direction, there is as yet no requirement for retirement accommodation to meet any specific standards for accessibility and adaptability under the BCA. A number of industry awards recognise good practice, but industry bodies have yet to define any standards that could be seen to be achievable in the sector.

In the wider housing market, there were seen to be pros and cons in requiring 10% of units in large developments to be fully accessible and adaptable, but not imposing any standards on the balance. More might be gained by promoting a basic level of accessible and adaptable design in all new housing.

Increasing awareness of accessible and adaptable housing in the community at large will be an important factor prompting developers to increase provision in the general housing market. As the same builders construct all forms of housing, specialized retirement accommodation has an important demonstration role to play. However, limited recognition of the importance of accessibility on the part of both builders and customers appears to be holding back development of accessible and adaptable dwellings to date.

A number of measures were identified that could promote accessible and adaptable design by encouraging good practice and increased supply on the part of providers, and raised awareness and increased demand on the part of consumers. One such measure was to require all new housing to have an accessibility rating, akin to an energy rating, to promote consumer awareness. Accessibility rating are likely to be a good selling point and so could prompt providers and builders to improve these features. Accessibility rating are seen as especially desirable for ILUs to give prospective residents information on how well the environment will meet their needs.

While increasing availability of accessible and adaptable housing in the general community will have an impact on demand for retirement accommodation, the effect is likely to be at the margin for many years. Demand for accessible and adaptable housing in the community on the part of retirees may also be moderated by the extent to which moves to retirement accommodation are prompted by factors other than physical access considerations.

#### **Strategy 4: Promote accessible and adaptable design**

##### Actions

- Accessible and adaptable design should be promoted specifically in retirement accommodation and in general housing development by a combination of actions:
  - Regulation for basic accessibility and adaptability in planning process applying specifically to retirement accommodation, through revision of the Territory Plan, caveats on leases, etc. Recognising that design is very dynamic, such regulation should be enabling rather than prescriptive;
  - Recommendations to practitioners in all stages of design and construction, from new developments to modifications of existing premises, and installation of aids and equipment, whether small or larger scale;
  - Rating accessibility and adaptability to be required information for all ILUs under provisions for consumer protection; and
  - Rewards for good practice through industry and government sponsored awards.

### **3.5 Increasing other options**

The range of retirement accommodation in other states includes a number of options that have not yet been widely developed in the ACT, if at all. These options are seen to have varying appeal in the ACT as follows:

- Longstanding *boarding houses* come under different labels and different sets of legislation in each state, such as “supported residential services” in Victoria. While catering primarily for older and low income residents, there is no age limit for residents in these services and they cater for residents with a diverse mix of ages and care needs. The better provision of a range of supportive housing in the ACT has meant that this segment of retirement accommodation has not developed.
- A newer form has emerged in *commercial retirement parks* in which residents lease a site for a mobile home that they own. These parks do not come under retirement village legislation in other states but operate under legislation covering caravan parks and residential tenancies. Restriction to older age groups has been achieved through exemptions under age discrimination legislation. Concerns have been raised that this mix of legislation leaves gaps in consumer protection compared to retirement village legislation, particularly with regard to resale of both sites and units. There is no evidence of demand for this segment of retirement accommodation in the ACT.
- Although it was widespread in the past, *dual occupancy* by way of second unit development is now restricted to core areas and so has limited availability for aged persons’ accommodation. Dual occupancies are an effective means of providing moderately large dwellings with small yards on any site and are thus appealing to older people.
- *Granny flats* could meet a very small and particular “niche” segment of demand. Granny flats are classed as “temporary care accommodation” under the Territory Plan, which allows additions of demountable units and habitable suites that have a separate entrance, kitchen and bathroom and so allow occupancy separate from the main dwelling on a block. While granny flats are currently permitted, they should be actively encouraged as an option for older people, with provision for occupancy only by family members, review of continuing occupancy at set intervals and so on. This option is taken up further below.
- Finally, the question of *housing and supported accommodation for younger people with disabilities* was raised at the workshops. In contrast to the expanding scale of developments of retirement accommodation and RACH, housing for younger people with disabilities is moving to domestic scale units. It was appreciated that RACH did not offer an appropriate environment for younger people with disabilities, but some providers involved in providing accommodation and services to younger and older age groups had an interest in co-locating dedicated units for younger people, or operating them on satellite sites, for effective service provision. To this end, planning provisions needed to focus on the purposes of accommodation and not dictate strict age criteria.

## 4. Financing retirement accommodation

*This chapter looks at how financing of retirement accommodation affects demand and supply. Many of the concerns raised by consumers regarding affordability are “the other side of the coin” to the factors that providers identify as affecting costs. While most ILUs are currently sold under Loan and License arrangements, the need to consider unit titling is raised.*

### 4.1 Changing models of financing

A number of financing arrangements for entry to retirement accommodation have emerged since the early resident funded models. Under these early models, purchasers traded-off a lower than market value entry cost, and possibly retained some of the return from realising their housing assets, for deferred management fees and reduced capital gains. This trade-off has changed over time, with higher entry costs aiming to limit on-going weekly charges, reduce deferred management fees and preserve some capital gain for purchasers.

Changes to accommodation charges for residential aged care came with the Aged Care Act 1997, and financing models for ILUs have been influenced by Accommodations Bonds applying to low care RACH that aim to maximise access to the Age Pension and subsidised care benefits under the income and assets tests that apply. Providers involved in ILUs and RACH have also aimed to provide financing arrangements that facilitate resident transfers to RACH should such transfers become necessary.

### 4.2 Consumer perspectives

The Workshops provided insights into consumer perspectives on affordability. In particular, a number of differences between buying into ILUs and paying for RACH were raised.

- There was a difference between the ways in which those moving to ILUs wanted to arrange their income and assets with regard to access to the Age Pension compared to those moving into low care RACH. While those moving into low care may be prepared to divest themselves of their assets to maximise their Age Pension income and subsidised care benefits, more active retirees may want an income above pension level. With this in mind, they prefer to retain some of the return from selling their home to invest to provide a supplement to their income. The difficulties of downsizing in price as well as size of dwelling have been noted above.
- Financing arrangements that maximise access to Rent Assistance are important to individual residents. Income from Rent Assistance is also important in enabling providers to deliver some additional support and enhance the economic viability of such accommodation. The very limited supply of rental options, and the prospects of further reductions if older ILUs are redeveloped, calls attention to the need for new models with low capital entry costs and rental retirement accommodation.

- Consumers saw the emerging supply of ILUs as being pitched to older home owners with above average housing assets. While the range of prices for new ILUs, and the market response they would meet, was not yet clear, consumers expressed interest in lower cost ILUs because they did not want to pay higher prices for facilities and services that added to capital and on-going cost, but which they did not use.
- There was concern about the lack of options for those with more modest housing assets who would not be eligible for Housing ACT accommodation. It was felt that while most wanted to retain ownership, some could choose to become renters on moving to retirement accommodation, if it were available.
- On-going costs had to be linked to the Age Pension to ensure affordability.
- Intending residents needed to be given clear information on capital entry costs, on-going costs and funds available on the resident's exit, and the trade-offs between these cost elements. As the great majority of those moving into ILUs have fixed incomes, and many received at least a part Age Pension, they were particularly anxious about how capital payments might affect their pension eligibility, how they would meet any increases in on-going charges, and how a move to RACH would be financed if the need arose.

### 4.3 Provider perspectives

Providers set prices for ILUs on the basis of three factors:

- Building and development costs in the ACT approached Sydney levels. Protracted and complex planning processes could add to these costs directly and indirectly through delays. There were limits to building “budget models” as marginal savings in building costs were small.
- Prices were set in relation to house prices in local areas. Increases in house prices in the ACT between 2001 and 2004 had created a buoyant market, and although house prices have stabilised, demand was expected to continue as older residents realised the appreciation in value of their houses.
- Accommodation Bonds in low care RACH.

Providers reported strong demand for new ILUs and that pre-completion sales were running ahead of the supply of units becoming available. Pent-up demand and the shortage of supply contributed to this high level of interest.

A number of other factors that providers identified as affecting costs were in many ways “the other side of the coin” to consumer perspectives. These factors included:

- Some facilities could have disproportionate impacts on capital and operating costs. While some facilities such as pools and mini-bowling greens could be attractive selling points, providers were aware that these elements could add considerably to construction and on-going costs, but might not be used or valued by all residents. One major provider advised that among its 35 villages across NSW and the ACT, only three had pools and the lack of a pool was not a drawback in selling units.

- Alternatives to on-site provision of many active recreation facilities existed in the community, and were often better than scaled down on-site versions. Providing transport to these facilities, and encouraging operators to offer concessional entry prices for seniors, not only contributed to containing costs but had advantages of promoting positive interaction with the wider community. A bus operated by the provider was essential, and was an integral part of linking developments on different sites. Consumers concurred strongly with these views.
- Providers recognised that general property sales did not reflect the value of housing occupied by older residents. An example was given from Evatt where it was impossible to downsize from a lower value, older house to a new apartment in the same street as the price of the apartments was around \$100,000 higher. The need for ILU development across a range of costs and types of occupancy was appreciated.
- Providers generally accepted that providing free or subsidized land was not an effective way of ensuring access for individuals with low incomes and low assets, and a number of alternatives are discussed below.
- Several providers reported that mixing rental and owner-occupied units had worked well. In some instances, rental units were provided in conjunction with state housing authorities, and in others were provided solely by the provider as an expression of a social commitment. The Illawarra Retirement Trust had adopted both approaches, providing rental ILUs in some of its developments and also managing a retirement village that included rental units on behalf of the NSW housing authority. As well as providing for low income residents who were not able to buy in, rental units offered choices to others who for one reason or another did not want to buy in.

Among the proposals put forward for enhancing affordability were:

- o Making land available on a market basis, but with options for staged or deferred payments until units are being sold.
- o Containing costs of processing DAs and ensuring timely decision making.
- o Providing planning concessions for increased density and higher floor space ratios when ILU developments included certain types of provision, such as rental units.

#### **4.4 Further Government perspectives**

Notwithstanding reported difficulties with funding of RACH, the Commonwealth arrangements are designed to cover concessional residents. Providers and consumers acknowledged that the ACT Government, and ACT taxpayers, should not be supplementing these arrangements. The ACT Government has no form of control over admissions and cannot ensure that any supplementation, such as free or subsidised land, achieves the goal of enhancing access for low income individuals.

Three alternative ways in which the ACT Government could assist affordability were canvassed. These options included sale of land with payments staged to take account of providers' capital flow as the facility was occupied, containment and reduction of costs of DAs, and concessions for increased floor space ratios.

While access to rental accommodation was not seen to be as pressing a problem in the ACT as in other states, joint ventures with Housing ACT were identified as a means of providing units for purchase at lower cost with a trade-off of increased provision of rental units by Housing ACT and increased capacity for delivery of support and care services to all residents by the ILU provider. An alternative approach would be for Housing ACT to buy leases over a number of ILUs for rental to eligible tenants, with the provider then acting as landlord on behalf of Housing ACT.

#### 4.5 Loan and Licence arrangements and unit titling

The terms under which residents purchased retirement accommodation affected costs for consumers and providers. Loan and Licence agreements are the most common form of purchase of ILUs in the ACT and are seen as very satisfactory by providers and consumers. Advantages for consumers included lower capital entry cost traded-off for lower capital gains and deferred management fees. This trade-off was not however always recognised by family members who expected a full return of capital and a capital gain. A further advantage was the ease of rolling over the entry contribution made under a Loan and Licence agreement to an Accommodation Bond if this became necessary.

There was nonetheless interest in unit titling, again with trade-offs for consumers and providers. One retirement village that sold units under a unit titling arrangement continued to operate satisfactorily on that basis, with caveats in the primary lease limiting transfers of title to people aged 55 and over, or retired persons. Interestingly, a company other than the owner managed this village. Experience with unit titling under legislation that limits transfers to seniors in other states is discussed further below under ACT Government planning issues.

While unit titling would cost more due to stamp duty and body corporate fees, it was considered that it could be more attractive to younger retirees who did not necessarily see an ILU in a village focused on active lifestyles as their last house and who wanted to maintain capital gains.

#### Strategy 5: Address affordability

##### Actions

- Introduce alternatives to land subsidies to enhance affordability and make them available to providers in all sectors. Options for consideration include:
  - o sale of land with payments staged to take account of providers' capital flow as the facility was occupied;
  - o containment and reduction of costs of DAs; and
  - o concessions for increased floor space ratios.
- Investigate how unit titling could be reintroduced to provide incentives for development of more diverse forms of retirement housing.
- Investigate possibilities for joint ventures, including joint ventures with Housing ACT.

## 5. ACT Government Issues

*The ACT government plays a significant role in the development of retirement accommodation and residential aged care. This chapter addresses a number of issues about how the ACT Government can best meet its policy objectives through its land release policies and program, application of the planning policies and processes set out in The Territory Plan and administration of the Retirement Village Industry Code of Practice.*

### 5.1 ACT Government objectives and agency roles

#### Objectives

The ACT Government has two sets of interrelated objectives in relation to development of RACH and ILUs. One set concern timely and efficient release of land and the quality of the planning process to ensure that provision of RACH and ILUs meets the needs of older residents and the community as a whole. The second set concern specific social objectives of facilitating access to needed housing and care services especially for low income residents, but also to ensure affordability more widely.

There is now widespread recognition that provision of free and subsidised land to not-for-profit providers for development of RACH and ILUs is a very blunt measure for targeting assistance to achieve these social objectives. Given that Commonwealth funding makes provision to ensure access for low income individuals, the ACT Government has not recently released free or subsidized land.

There is general acceptance that financial planning and risk assessment for land releases has to be done on a market basis and that all sectors have to operate on a level playing field, with due probity and accountability. There is a range of evidence from the recent Commonwealth Review of Residential Aged Care (the Hogan Review<sup>15</sup>) and from transactions in financial markets, particularly the growth of Macquarie Bank's Retirement Corporation of Australia, that demonstrates that aged care and retirement accommodation are economically viable business activities and that providers are able to generate surpluses or profits for re-investment.

The ACT Government should accordingly look to alternative ways of achieving its social objectives of enhancing access for low-income residents and promoting a diversity of retirement accommodation.

#### Agency roles

ACT Government agencies have a number of roles in the planning and development of retirement accommodation and RACH. The special nature and scale of these developments are not, however, well catered for in current planning processes set out in *The Territory Plan*

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<sup>15</sup> Hogan W. 2004. *Review of Pricing arrangements in Residential Aged Care*. Final Report. Commonwealth of Australia: Canberra.

The instigation of the case management approach, with a Case Manager located in the Chief Minister's Department, has facilitated proposal development and coordinated progression through the processes of submission and approval of DAs. This experience has identified a number of points at which these processes could be streamlined and at the same time allow for more negotiation to achieve optimal outcomes for consumers, providers, government and the community at large.

Review of planning processes for RACH and ILUs should be incorporated into the review of the ACT planning system currently underway. Changes in some general planning provision could address problems that can adversely affect the development of RACH and retirement accommodation, such as limiting objections to parties who are materially affected by proposed developments. Assessment and strategy areas need attention to give greater recognition to the special attributes of ILU and RACH developments.

## **5.2 Land release strategy**

### **Recent releases**

All land releases for RACH and ILUs made from 2002 to the present, and anticipated releases in the near future, are detailed in Table 7. These highlight:

- The slow down in releases following several releases in 2004.
- The continuing mix of releases through direct sales, with or without concessions, and by competitive tender; providers may also purchase on the open market.
- The wide mix in site sizes, from less than 0.5 ha to 8.5 ha.
- The mix of infill sites, many adjoining existing RACH and/or ILUs, and green-fields sites.
- The land use policy for all but one site has been Community Facility, but the one purchase of a residential site confirms that RACH and ILUs are allowed uses on land designated for residential use.
- The dominance of existing providers expanding their provision but with entry of some significant new providers.
- The spread of the three sites identified for future release will bring about a change in the distribution of facilities in relation to the aged population. The site in Gungahlin will make good a gap, and responds to the increase in aged population projected for the next ten years. The site in Gordon will cater for the larger growth of the aged population in the Tuggeranong Valley.

### **Site availability**

Land availability is a key factor in the timing and location of developments, and in shaping the balance of RACH and ILUs. Known availability of a site and subsequent purchase at an affordable price enables providers to decide on the scale and mix of development and to proceed with a DA, including allowing for staged development. To this end, providers need to have information on sites likely to be released over a period that matches advance advice on bed allocations, and on further sites that may become available beyond that time.

**Table 7: Land released March 2000 to present**

Date	Site Location and size	Conditions of release		Outcome	
		Subsidised or market price and value	Land Use Policy	Provider	Purpose
March 2002	Page 1.49ha	Direct sale concessional	Community facility	Villagio San Antonio	For 21 bed RACH beds, Adjoining existing RACH and ILUs
March 2004	Bruce 4.29 ha	Direct sale concessional	Community facility	Calvary	For 100 RACH beds and 78 ILUs, New site
July 2004	Hughes 1.38 ha	Direct sale concessional	Community facility	St Andrews	For 74 high care RACH Adjoining existing site with 102 low care RACH
July 2004	Garran 1.49 ha	Direct sale concessional	Community facility	Southern Cross Care	For 70 RACH beds and 14 ILU, New site
October 2004	Weston 0.45ha	Direct sale concessional	Community facility	Mirinjani Uniting Care	For 64 RACH high care Adjoining existing site with RACH and ILUs
July 2004	Monash 7.2 ha	Direct sale concessional	Community facility	Goodwin Homes	For 100 RACH and 160 ILUs Adjoining site with existing RACH and ILUs
April 2005	Belconnen 6.98 ha	Competitive tender	Community facility	Illawarra Retirement Trust	For 100 RACH beds and 150 ILU New site
March 2006	Page 0.88 ha	Direct sale market price	Residential	Ridgecrest Retirement Village	For 24 ILUs, Adjoining existing 104 ILUs
To be agreed	Gordon 5.2 ha	Direct sale, no concessions	Community facility	Uniting Care	100 beds and 150 ILUs New site
Early 2007	Nicholls 7.4 ha	Expected direct sale, no concessions	Community facility		100 beds and 150 ILUs New site
Not yet released	Greenway 8.5 ha	Expected competitive tender	Community facility		100 beds and 150 ILUs

The uncertainty of land availability is reduced to some degree, but not entirely, for RACH developments by the ACT Government's practice of making land available to providers as allocations from the Commonwealth are secured. This commitment is also recognised by the Commonwealth in its consideration of land availability as a factor in bed readiness.

The ACT Government, at present, has no control over which providers make submissions or gain approvals, but has been committed to making land available to successful applicants. It could have more influence over this process by releasing preferred sites on a competitive market basis prior to the ACAR and determining the successful tenderer who would then be the only ACAR applicant able to demonstrate bed readiness on the site. The tendered sale would then only proceed when the provider gained a bed allocation. Other providers making applications to the ACAR would either have to hold land already, possibly for expansion of an existing facility, or be unable to demonstrate land availability (i.e. under the bed readiness criteria).

This arrangement does not fully cover large-scale developments that combine RACH and ILUs, or smaller ILU developments on smaller sites. Providers report considerable confusion and frustration with the limited sites for retirement accommodation that are available at any one time, possible inconsistencies in the application of land use policies defined for any site in the Territory Plan, and other drawn out processes in the sale of land and processing of DAs.

### **Extending the existing land bank**

The solution to these problems is seen to lie in extending the existing land bank established under the *Building for Our Ageing Community* strategy. The land bank needs to include an adequate supply of land over a 10 year planning horizon, with a mix of sites of different sizes and in different locations. The primary outcome of extending the land bank would be to increase the certainty of land availability, but it would also contribute to achieving a number of other goals.

An extended land bank is a critical means of matching the spread of accommodation to the changing distribution of the aged population. It could ensure a distribution and mix of development that enabled older Canberrans to age in place in their local neighbourhoods at the same time as offering a range of choices to those who wanted to move. The need for a mix of developments to meet future demand can be seen by reference to the demographic analysis reported in Chapter 2.

The largest potential demand was identified in North and South Belconnen and North and South Tuggeranong, where large-scale new developments are already underway or have been flagged. There is currently no retirement accommodation in Gungahlin and the Nicholls site has been offered to the market for the current ACAR to address this gap. Take-up of this site will meet short to medium term demand in Gungahlin, and further sites will be needed only in the longer term. In other areas where there is already a reasonable level of provision, future demand is likely to be best met by smaller developments on infill sites, and possibly expansion with redevelopment on existing sites.

Increasing the range and supply of sites in the land bank would extend providers' planning horizons, foster a diversity of provision and enable providers to extend their operations across a number of sites. Some providers are already redeveloping older, small scale and low density ILUs, and a review of all such existing developments would identify further potential sites. Redevelopments as part of joint ventures could also provide more options for existing residents and add to overall provision; as could unit titling.

The diversification of development associated with these trends has overtaken the view that the only or best form of ILU development is in self-contained, large-scale developments of 100 to 150 units. It is evident that providers want the flexibility to add smaller clusters of ILUs and/or RACH to their existing operations, and that doing so does not require contiguous sites. Rather, providers are looking for sites that match the changing distribution of the older population.

This trend opens up opportunities for joint or complementary development with ILU and especially RACH. A land bank is an effective means of earmarking sites that are particularly well located for such development, including excess schools and ovals.

There is considerable competition for these sites for many different kinds of development and the land bank will ensure they are kept for community use. Redevelopment of excess school sites could incorporate the existing community asset into an aged care facility, while subject to operational and security requirements, allowing ongoing use by the community. This allows integration of aged persons' accommodation into the wider community.

With a number of providers now operating on several sites, it is apparent that satellite models can operate effectively. A good example of such a model brought together under the umbrella of Southern Cross Homes a number of small groups of ILUs owned by Catholic church groups in the Diocese of Canberra and Goulburn.

This change of model is allowing for enhanced provision of support and care services and redevelopment of accommodation. These models also open the possibility for management and delivery of support and care services to be undertaken by different entities, as there is no reason why the entity owning the accommodation must also deliver the services. There is already a degree of sub-contracting of services such as laundry and maintenance in existing developments. Experience in one retirement village in the ACT and more extensive experience in other states points to the feasibility of developments in which ownership and on-going service management are separate.

#### **Strategy 6: Address land supply**

##### **Actions**

- Extend the land bank for aged accommodation, covering ILUs, RACH and other possible forms of development.
- Hold sites sufficient to meet projected demand for up to 10 years in advance and release, in line with the planning framework proposed in Strategy 3,
- Include a mix of sites of different sizes and in different locations to facilitate a mix of developments; this mix should include infill and green-fields sites.
- Release of all sites on a market basis, but with possible options for deferred payment of part of the cost.

### **5.3 Planning and development time frames**

#### **Mismatch between current and realistic time frames**

There are four well defined timelines set by the Commonwealth that shape the development of RACH:

- The annual ACAR round, lately in June, advises the number of places available in the following year and allows 3 weeks for submission of applications (N.B. these timeframes have applied for the past two years but are subject to change);
- The ACAR also advises the indicative bed numbers for future years; to date, indicative numbers continue to be announced only two years in advance. The Commonwealth has yet to implement the commitment made in the 2004 budget to announcing indicative numbers three years in advance;
- Bed allocations are announced 6 to 9 months later; and

- Allocations are required to be operational within two years of the announcement.

These timelines suggest a timeframe of three years but in practice project development, land sale, bed allocation and construction processes normally extend to 6 or 7 years, and can extend to 10 years. These extended timeframes frustrate the timely delivery of residential care facilities to the Territory and indeed elsewhere in Australia.

Significant delays occur under the ACT system due to all greenfields land being held and sold, by the Territory. In other jurisdictions land is purchased (at market rates) before any application for bed funding is made during the ACAR. From that point holding costs of the development site encourage timely development of sites as soon as bed funding becomes available. In the ACT, as development approval is necessary before a site can be direct sold and hence no holding costs are incurred until the applicant is ready to commence construction, therefore there is little imperative to proceed quickly.

There are three inter-related solutions to improving the timeliness of delivering RACH:

1. The Commonwealth government implementing its commitment to announcing indicative bed allocations three years in advance;
2. The ACT government announcing an indicative land release program to match item 1 above (see previous section); and
3. Encouraging and enabling service providers to proceed with development approvals and land sale process soon after receiving a bed allocation.

### **Increasing indicative bed allocations up to four years**

The planning time frame could be improved if the Commonwealth provided indicative figures for allocations three or four years in advance. Although a longer lead time could mean more uncertainty as to the number of allocations that would actually be made in the 3<sup>rd</sup> or 4<sup>th</sup> year ahead, some indication is better than none, with adjustments made annually as currently occurs. Providers would be no worse off than under the present arrangements in which numbers are known only two years ahead, and there is already considerable variance between allocations announced for future years and the numbers subsequently confirmed year by year.

Providers feel strongly that there would be benefits in having earlier advice and then being able to plan over a time frame that accords better with the long lead time for getting ACAR proposals to submission stage. Extending the “up front” time for proposal development was preferable to hasty preparation of submissions, which could lead to less than optimal outcomes and costly and time consuming changes having to be made at a later stage.

The sequence in Table 8 allows for a longer initial planning stage, followed by shorter and more certain application and construction stages. Although the total time frame is marginally shorter, uncertainties are reduced as it proceeds and all parties can be held to the timelines set. Once an allocation is made for RACH beds, projects would be delivered within the Commonwealth’s two year timeframe, and with very little commercial risk for providers.

Both provider bodies and the ACT Government need to continue to negotiate with the Commonwealth to implement its commitment to advise indicative allocations three years in advance.

**Table 8: Present and model timelines for development of retirement accommodation and residential aged care facilities**

Year	Present timelines	Model timelines	Year
<b>Stage 1: Early planning</b>			
1-2	Initial concept planning	Initial concept planning	1-2
3-4	Further development of proposal Search for site Tentative decision to proceed	Bed allocations 3 to 4 four years ahead in ACAR Firm decision to proceed Further development of proposal Search for site guided by land bank	3-4
<b>Stage 2: Application to Aged Care Approval Round and/or Development Application</b>			
5	Bed allocations advised two years ahead in ACAR Decision to proceed confirmed	ACT government requests tenders for land from Approved Providers for RACH or other suitable providers for retirement accommodation Successful tenderer announced within 3 months and in line with timing of ACAR to enable preferred tenderer to demonstrate land availability Submission to ACAR Allocation within 6-9 months DA is required to be submitted within 1 month of approval of bed allocation (6 intervening months to develop DA drawings) DA approved within 12 months of request for tenders for land	5
6	Full development of proposal		
7	ACT Government commits to making land available to successful ACAR applicant/s.  Submission to ACAR Allocation within 6-9 m DA submitted up to one year of approval of bed allocation.		
8	DA approved Direct Land sale can now proceed		
<b>Stage 3: Construction</b>			
9	Construction commenced	Construction commenced	6
10	Completion	Completion	7

### Extended land bank

If the Commonwealth adopted an extended timetable for indicative allocations, it would assist service providers if a provisional land release program were advised at the same time. In combination with indicative bed numbers, a land release program would mean that providers could add a *where* factor to *when* and *how many* in their strategic planning for future developments.

### A refined land sale process

Timelines of projects currently underway which involve the direct sale of a block to accommodate RACH indicate that it can take two years from the announcement of the ACAR round to the finalisation of the land sale process i.e. the time when providers can proceed with construction of a RACH.

There appear to be two reasons for this delay. Firstly, the direct sale cannot be advanced until the provider receives a bed allocation and secondly, as the direct sale offer is not made until after the DA is approved, the provider does not incur any holding costs on the land and therefore feels no urgency to proceed. A competitive sale process with caveats requiring prompt advancement of the project would address both these issues and thus considerably reduce the delays in this part of the process.

A competitive sale process before the ACAR would allow the successful tenderer to have an “option” on buying the land should a bed allocation be received, it would also allow the Land Development Agency to make the sale conditional on a bed allocation being received by the preferred tenderer. As the availability of bed funding would be determined by the indicative numbers, the offered block located in an area of identified need and the preferred tenderer would be the only applicant in the ACT on a greenfields site, it would be highly likely they would receive a bed allocation.

The LDA should require the preferred tenderer to submit a DA within a short period, perhaps one month after the bed allocations are announced. This would require the preferred tenderer to develop the DA drawings during the period between the LDA announcing the preferred tenderer and DoHA announcing the successful bed allocations.

Adoption of these amended procedures would enable service providers to proceed quickly to construction stage thus making possible the two year delivery of bed places as required (but rarely met) by DoHA.

## **5.4 Planning processes**

### **Problems encountered**

#### *Too rigid*

Planning provisions in the ACT are generally seen as being too rigid to accommodate the nature and scale of RACH and ILU projects as they do not fit into standard low density housing developments on one hand, nor are they multi unit developments on the other. The current processes lack the flexibility needed to give sufficient recognition to the scale of RACH and retirement accommodation developments, which now typically involve capital investments in the order of \$50-100m or more.

#### *Too confusing*

The definitions of residential care accommodation, retirement complex, and supportive housing in the Territory Plan, as set out in Table 9, are a source of confusion as they do not accord with current practice in the fields of aged care and housing or disability accommodation, or with relevant Commonwealth legislation. These definitions are in need of review and revision to make them consistent with each other and with other related legislation and planning processes.

#### *Too slow*

The planning process is seen as being too cumbersome and slow, and at the same time, results in inconsistent outcomes. The extensive planning undertaken within government

before sites are made available, working to a set formula, is not appropriate to a sector in which each new proposal has some unique features. However, the view that “most planning applications never get to the end of the process” is not consistent with the number of DAs, which have been approved over the past two years and are now underway.

### *Too little expertise*

The demise of the Strategic Planning Unit in the ACT Land Planning Authority is perceived to have contributed to the difficulties of planning processes. There is now too little expertise to deal with increasingly complex DAs for larger RACH and ILU projects.

**Table 9: Definitions relating to residential aged care and retirement accommodation in the Territory Plan**

Term	Definition	Common terminology
Residential care accommodation	Means the use of land by an agency or organization that exists for the purposes of providing accommodation and services such as provision of meals, domestic services and personal care for people requiring support. Although services must be delivered on the site, management and preparation may be carried out on site or elsewhere.	Nursing homes, Hospices, Special care establishment, Special care hostel, Supported dwelling, Special dwelling, Convalescent home Retirement complex
Retirement complex	Means the use of land for permanent residential accommodation for persons aged 55 or over and which consists of a grouping of self-care units as well as a hostel and/or nursing home together with ancillary facilities. Ancillary facilities may include chapels, medical consulting rooms, meeting rooms, recreational facilities, therapy rooms, kiosk facilities and the like	
Supportive housing	Means the use of land for residential accommodation for persons in need of support, which is managed by a Territory approved organization that provides a range of support services such as counselling, domestic assistance and personal care for residents as required. Although such services must be delivered on site, management and preparation may be carried out on site or elsewhere. Housing may be provided in the form of self contained dwellings.	Aged persons' units Community housing Older persons' units Rooming house University college

### **Solutions proposed**

#### *Building on the case management approach*

The case management approach is widely acknowledged as assisting providers through the planning process and concentrating expertise. The case management approach was introduced as part of the *Building for Our Ageing Community* strategy, and it now needs to be backed up with a broad based planning policy which addresses social as well as physical aspects of planning for retirement accommodation.

### ***Better processes***

Fast tracking developments, which are not responsive to need could be counter-productive. The need for timely processing of DAs has to be balanced with efforts to secure optimal outcomes over the longer term. Faster processing of DAs is impetative, but more attention on transparency and consultative processes will result in more effective outcomes.

Steps to better processes include:

- A case-by-case review of all developments, which have gone through the case management process, would be a useful starting point for identifying the exact nature of problematic planning matters. Good practices that have facilitated processes and resolved problems could be identified and built on.
- Early consultation with providers is essential for working towards innovation and optimal outcomes for each project and advancing the field overall.
- A regular planning forum in which providers share experiences with each other and the relevant ACT government agencies would enable useful review of trends and identification of emerging issues.
- The extended lead time for preparation of submissions as noted above would allow for better processes.

### ***Broader guidelines***

Given that there are only a small number of applications for RACH and/or ILU developments in any year, and planning issues are likely to differ somewhat for each one, it is not realistic to expect such projects to be dealt with in a “one size fits all”, formula driven approach. Instead of reducing guidelines to a simple checklist, the need is for a planning framework cast in terms of broad objectives and principles aimed at fostering best practice, which can be applied with a degree of flexibility.

Examples of where flexibility is required include:

- Land use classifications, to allow for mixed developments and potential re-assignments of types of developments, and do not tie specific sites to specific forms of development for RACH or retirement accommodation. While the Commonwealth allows ILUs to be approved subsequently as low care facilities, giving residents access to care benefits, and such approvals have been made in other stages, this change is blocked by ACT land-use policy. Flexibility is also needed if moves in the opposite direction are not to be thwarted, e.g. where a provider wants to convert a redundant RACH to independent accommodation as part of an overall redevelopment plan.
- Varying density controls in infill and redevelopment sites could be a means of retaining some open space with 4-6 storey buildings instead of lower rise developments covering more area. Cost effectiveness of installing lifts would be increased if more units could be built on the site, and concessions on density control were seen as a general means of increasing affordability.

- Assisted living services could be delivered flexibly to residents in different locations and in different types of units rather than designating some sites for self care units and others for assisted living units. Flexibility in care services also allows for ageing-in-place; ILUs with additional services are already providing an effective alternative to what had been RCS category 8 and 7 in low care, and are likely to make further inroads to demand for low care places.

Innovative solutions have to be promoted. Instead of setting narrow guidelines, which could channel future development into a uniform mould, provider interest in exploring new approaches should be encouraged. Each proposal has to be assessed on its merits, not whether it meets a set of specific criteria. Such a framework could incorporate a number of elements already raised in this report, including:

- A population based ratio for ILUs to ensure that the level of development of retirement accommodation is in line with growth of the aged population and in balance with the provision of RACH.
- A timetable for land release and review of leases already granted if reasonable progress has not been made in two years.
- Consistency with the Commonwealth RACH planning processes through clear identification of the kinds of development to which different requirements apply.
- Promotion of universal design for accessible and adaptable housing.

### *Learn from others*

Several providers had experience of NSW legislation that made a clear separation between planning provision under the State Environment and Planning Policy (SEPP) for the Senior Living Code, and the Retirement Villages Act, which addressed operation of villages and consumer protection. The current Senior Living Code was a considerable improvement on the initial SEPP 5 that had covered retirement housing; in particular, loopholes that had allowed medium density developments to be approved in the guise of retirement housing but then revert to all age housing, had been tightened. The current policy gave clear guidance to Councils and providers, resulting in much greater acceptance of retirement accommodation as an appropriate form of development in many areas and far less contestation over development approvals.

A review of the provisions of the NSW Senior Living Code and the way they are applied would usefully inform the revision of the ACT's planning processes. The smaller number of developments in the ACT in any year, and the more particular nature of each development may however mean that approval of developments that meet the specifications was not mandated, as it is in NSW.

This review could also address concerns that unit titling could lead to retirement accommodation being transferred to general ownership. The NSW Planning Policy on Seniors Living has brought early problems under control and it appears that transfers in the ACT could be controlled by caveats in leases and other controls as applied under previous unit titling.

There was also scope to learn from others in the area of education for planners. There is a gap in planning courses with regard to ageing and aged care services. The result is that few planners have a good understanding of the issues involved or options for solutions and are not well equipped to deal with complex planning applications. The need for planning education to cover social and physical aspects of retirement accommodation was recognised and a first step to addressing this gap could be taken by way of short course organised by the Planning Institute Australia in conjunction with relevant professional, government and provider agencies.

A number of other workforce issues were raised in the workshops. The main issues concerned wage differentials between aged care and acute care, and between the ACT and NSW; varying experiences in recruitment and retention not only of direct care staff but also administrative and other services staff; and provider commitment to training programs. The service orientation of the ACT economy meant there was strong demand for workers in all service industries and in order to compete, the aged care and retirement sectors had to work maintain and enhance a positive image as a field of employment. These issues however are outside the immediate scope of the Supply and Demand Study and are rather being addressed through aged care workforce initiatives of the ACT Government and the Commonwealth.

### Strategy 7: Strengthen planning capacity

#### Actions

- Strengthen capacity of relevant agencies to manage DAs for RACH and ILUs.
- Ensure that the review of The Territory Plan gives attention to definitions and other matters relevant to land use policy for ILUs and RACH to give greater recognition to their distinctive character, and also facilitates other options for retirement accommodation, such as granny flats.
- Improve planning processes by extending the case management approach to the land sale and planning processes, promoting consultation with providers, and continuing to negotiate with the Commonwealth over the timelines set for RACH development.
- Develop a broad framework for planning of RACH and ILUs, that promotes good practice and innovation to optimise outcomes for individual developments and advance the field overall.
- Review relevant planning and retirement village legislation in other states to inform planning processes in the ACT, including possible reintroduction of unit titling.
- Promote professional, provider and community education through:
  - o forums and information sessions to share experiences among providers.
  - o liaison with the ACT Division of Planning Institute Australia to develop a short course on planning of retirement accommodation.

## 5.5 Consumer protection issues

The diversification of forms of retirement accommodation and associated services that are becoming available raises questions as to whether the *ACT Retirement Villages Code of Practice* continues to provide adequate consumer protection. The Code of Practice was

introduced in 1999 under the regulations of the *ACT Fair Trading Act (1992)*, and defines retirement villages and resident funded as follows:

*“Retirement village” means an existing or proposed complex, or part of a complex comprising residential premises (other than residential aged care facilities covered by the Commonwealth Aged Care Act 1997) predominantly or exclusively occupied, or intended to be predominantly or exclusively occupied, by retired persons.*

*“Resident funded” means residential care funded by the resident and not subsidized.*

Only a limited number of complaints have come to attention of ACT authorities under the Code, but rather than seeing this as an indicator of the adequacy of the Code, it appears that a number of complaints have been raised about matters that are outside the scope of the current Code. The scope of consumer protection could best be extended and strengthened by translating its provisions into a new piece of legislation. Most other states have a specific Retirement Villages Act that provides consumer protection, and in some states, there are also particular provisions in planning legislation to cover retirement accommodation, most notably the NSW SEPP Senior Living.

From the perspective of intending and actual residents, the main need is to have clear information on the services that are covered by their entry payment and on-going fees, and the basis on which additional services are available and paid for. A number of other areas in which consumer protection could be strengthened were raised in the Workshops, including:

- There was some concern about differences in Loan and Licence agreements or secondary lease arrangements under which residents occupy different forms of retirement accommodation. All other residential land in the ACT is leased through a standard contract, therefore, a standardised contract, with common and optional clauses, to cover occupancy of retirement accommodation could have benefits for providers as well as residents.
- Standardisation could also facilitate transfers to RACH when the need arose. While most transfers occur to RACH operated by the same provider, options that facilitate transfer where ILU providers do not operate RACH could be considered.
- The need to ensure appropriate financial regulation of providers under the Australian Securities and Insurance Commission (ASIC).
- Addressing possible loopholes by requiring providers of all forms of accommodation deemed to come within the definition of retirement accommodation to be registered with the administering authority of any new legislation.
- Increased attention to social planning matters as well as land use planning, through cross-reference to the Territory Plan and related provisions.
- Ensuring that residents have clear information about the basis on which additional services could be purchased and that they have a choice of provider.

### **Strategy 8: Enhance consumer protection for residents in all forms of retirement accommodation**

#### Actions

- Review the Retirement Village Industry Code of Practice to ensure that it is able to:
  - o cover the range of retirement accommodation that is now available;
  - o provides for a register of accommodation that comes under the Code;
- Ensure that intending and current residents have adequate information on provision of additional support and care services and that their choice of provider is protected; and
- Consider whether the Code should be replaced with legislation covering relevant consumer protection and planning matters.

## **5.6 Towards implementation**

The strategies and actions proposed in this Report span short, medium and long term time horizons. The final consideration to be raised in this report thus concerns the need to monitor progress with implementation of the strategies proposed and the Building for our Ageing Community strategy more generally. As well as tracking implementation of initiatives taken in the short term, periodic review is also necessary to make sure that the medium and long term strategies remain relevant, and emerging issues are taken into account.

A progress review in mid 2008 would be most timely on three grounds:

1. The new standards for certification in the Commonwealth residential care program come into effect from January 2008, and restructuring to meet those standards should be largely completed;
2. Most of the projects currently being developed in the ACT should be operational by then; and
3. The results of the 2006 Census will be available to provide updated population data and projections.

### **Strategy 9: Set a timetable for and monitor implementation**

#### Actions

- Develop a timetable for implementing short, medium and long proposals of this report and the Building for our Ageing Community policy overall.
- Review progress in mid 2008 and adjust strategies in line with outcomes and newly emerging trends and issues.

# Appendices

## Appendix 1. Building for our Ageing Community

### Planning and Development

We are committed to improving planning and development processes for aged persons' accommodation developments.

We will:

- work to develop a more proactive relationship with the Commonwealth to identify and overcome delays in the allocation and planning process for aged care development;
- identify and reduce unnecessary delays in projects for aged accommodation by streamlining planning approval processes;
- investigate specific regulatory issues from a business perspective, through the new ACT Regulatory Issues and Complaints service;
- develop a simplified formula for valuing sites for aged persons' accommodation; and
- identify opportunities to provide concessions on fees imposed on providers of accommodation for aged persons.

### Quality Service

We are committed to providing a high quality service to proponents of aged care developments and assisting them to move smoothly through the land and development approval processes.

We will:

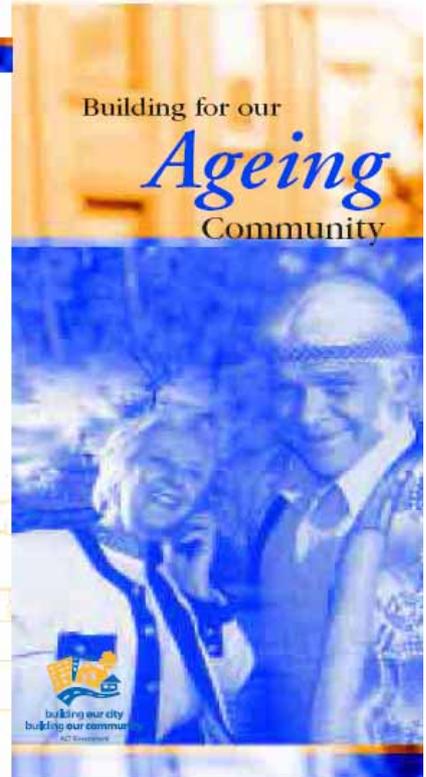
- provide a Case Manager as a single point of contact, able to provide specialist advice on behalf of the ACT Government;
- guarantee a responsive, whole-of-Government information service for aged persons' development proposals;
- provide case management for proponents of aged persons' developments; and
- work hard to ensure reduced development process response times.

### Contact us

**Mr Ross McKay**  
 ACT Case Manager  
 Aged Persons' Accommodation  
 (02) 6205 0675  
 ross.mckay@act.gov.au

Policy Group  
 Chief Minister's Department  
 GPO Box 158  
 CANBERRA ACT 2601

[www.act.gov.au](http://www.act.gov.au)



### Preparing for the Future



## Ageing

The ACT Government recognises that some older members of our community can face difficulties in securing suitable accommodation to meet their future needs, whether in high or low care accommodation or independent living units.

Canberra's population is ageing - over the next 10 years the number of people aged 60 to 69 is expected to increase by 15,000. The number of people aged 70 and over is expected to increase by 9,100.

The ACT Government is committed to working with industry and service providers to reduce the amount of time it takes to deliver high quality aged persons' accommodation.

Jon Stanhope MLA  
 Chief Minister

### Targeted Land Release for Aged Care

We are committed to ensuring there is a rolling program of aged persons' accommodation development sites.

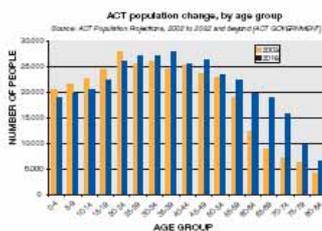
We will:

- identify a specific land release program for aged persons' accommodation;
- develop a stock of pre-planned and serviced sites for aged persons' accommodation; and
- identify surplus Government land suitable for aged care accommodation.

In addition to four sites already on the land release program the ACT Government has decided to advance and accelerate preparations for release of two further sites in 2004/2005, namely:

- Block 9 Section 79 Nicholls; and
- Block 9 Section 410 Gordon.

Planning investigations have also commenced for the development of aged care accommodation on sites 14 and 19 Greenway.



### A Holistic Approach

*Building for our Ageing Community* is a whole-of-government initiative that will complement the wide range of other government initiatives aimed at addressing issues facing older Canberrans. These include: the Mature Age Employment Strategy, the Actively Ageing Framework, the Lifetime Achievement Awards and the introduction of initiatives to address elder abuse.

### Meeting Demand

We are committed to taking a long-term strategic approach to meeting the accommodation needs of our ageing community.

We will:

- continue to request that the Commonwealth Government reviews its allocation policies;
- through targeted research, data collection and dialogue with the service providers and the construction industry, establish a strong understanding of the market for aged accommodation; and
- foster effective relationships with industry to provide and market a range of accommodation options for older people.

### The Canberra Social Plan

One key priority of the Canberra Social Plan, currently in the final stages of development, is building safe, strong, cohesive communities. Caring for, and providing for the needs of our ageing community are core values reflected in a caring and cohesive community.

## Appendix 2. Workshop Participants

### Consumer representatives

ACT Council on the Ageing	Mr Malcolm Parker, Housing Options Adviser.
Australian Retired Persons' Association/ Over 50's Association Ltd	Mr Ian Hay, Group Liaison Executive.
Anglican Retirement Community Services	Ms Jenny Symons, Deputy CEO.
Association of Independent Retirees	Ms Pamela Graudenz, President, Canberra North.
Carers ACT	Ms Dee McGrath, Executive Director.
Woden Senior Citizens' Club	Ms Ann Murray.

### Service providers

Abbeyfield House	Mrs Maggie Grills, Chair, Management Board.
Aged Care Association Australia – NSW	Ms Sue Macri, Executive Director.
Baptist Community Services	Mrs Debbie Booth, Director of Nursing, Morling Lodge.
Canberra Retirement Villages Pty. Ltd.	Mr Frank Brodrick.
Carers ACT	Ms Maria Smith, Respite Centre Manager
Centrecare	Mr Neil Harrigan, Director.
Goodwin Aged Care	Mr Bruce Mckenzie, Chief Executive Officer.
Illawarra Retirement Trust	Mr Craig Hamer, Regional Manager.
Little Company of Mary Health Care Ltd.	Mr William Crowley, Project Director, Residential Aged Care.
Morshead Home for Veterans and Aged Persons	Ms Nikki van Diemen, Chief Executive Officer.
Northside Community Service	Ms Debra Mullin, Manager, Case Management.
Salvation Army	Major Kerry Haggard, Territorial Aged Care Program Administrator/Assistant Director - Aged Care Unit.
Southern Cross Care (NSW & ACT) Inc	Mr Bill McDonald, Property & Services Manager.
Southside Community Service	Ms Sally Scanlian
Southside Community Service	Ms Toni McDonald, Manager, Community Services.
Villagio Sant Antonio Hostel	Mrs Alice Whittle, Chief Executive Officer.
Uniting Care	Mr Drago Chikitch, Director, Property Services and Development.
Uniting Care	Mr Warwick Bruen, Mirinjani Board Member

**Planning, development and construction sectors**

Housing Industry Association Ltd	Mr Alan Morschel (ACT/ SNSW Region).
Master Builders Assoc (ACT)	Mr David Dawes, Executive Director.
Planning Institute of Australia (ACT Division)	Mr Paul Cohen, President. Ms Jane Goffman, member of Social Planning Chapter. Ms Annie Kentwell, member of Social Planning Chapter.
Small Quinton & Coleman Architects	Mr Murray Coleman, Architect/ Designer.

<b>Ministerial Advisory Council on Ageing</b>	Mr Brendon Kelly Dr Joan Buchanan Ms Barbara Silverstone
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**Appendix 3: Projections of population by local areas in Canberra, by age, 2004 to 2014** Source: Projections prepared by ACT Chief Minister's Department, Demographics Branch

<b>NORTH CANBERRA</b>											
<b>Age (years)</b>	<b>Jun 2004</b>	<b>Jun 2005</b>	<b>Jun 2006</b>	<b>Jun 2007</b>	<b>Jun 2008</b>	<b>Jun 2009</b>	<b>Jun 2010</b>	<b>Jun 2011</b>	<b>Jun 2012</b>	<b>Jun 2013</b>	<b>Jun 2014</b>
0-49	29,800	30,700	31,050	31,250	31,300	34,100	31,400	31,400	31,500	31,500	31,400
50-54	2,250	2,250	2,300	2,350	2,350	2,400	2,500	2,550	2,650	2,650	2,700
55-59	1,800	1,900	2,000	2,000	2,100	2,100	2,100	2,150	2,150	2,150	2,250
60-64	1,350	1,400	1,450	1,550	1,650	1,750	1,850	1,950	1,950	2,000	2,000
65-69	1,300	1,300	1,300	1,300	1,300	1,300	1,350	1,400	1,500	1,600	1,700
70-74	1,250	1,200	1,150	1,150	1,200	1,200	1,200	1,250	1,300	1,250	1,300
75-79	1,200	1,200	1,150	1,100	1,100	1,050	1,050	1,050	1,050	1,100	1,150
80-84	900	950	950	950	900	900	900	900	850	850	850
85+	600	650	700	750	800	900	900	950	1,000	1,000	1,050
<b>Total</b>	<b>40,450</b>	<b>41,550</b>	<b>42,050</b>	<b>42,400</b>	<b>42,700</b>	<b>45,700</b>	<b>43,250</b>	<b>43,600</b>	<b>43,950</b>	<b>44,100</b>	<b>44,400</b>
60-69	3,150	3,300	3,450	3,550	3,750	3,850	3,950	4,100	4,100	4,150	4,250
70-85+	3,950	4,000	3,950	3,950	4,000	4,050	4,050	4,150	4,200	4,200	4,350
Total 60+	7,100	7,300	7,400	7,500	7,750	7,900	8,000	8,250	8,300	8,350	8,600
% 60+	17.6%	17.6%	17.6%	17.7%	18.1%	17.3%	18.5%	18.9%	18.9%	18.9%	19.4%
Median age	33.4	33.4	33.5	33.7	33.9	34.1	34.3	34.5	34.7	34.9	35.1
<b>SOUTH CANBERRA</b>											
<b>Age (years)</b>	<b>Jun 2004</b>	<b>Jun 2005</b>	<b>Jun 2006</b>	<b>Jun 2007</b>	<b>Jun 2008</b>	<b>Jun 2009</b>	<b>Jun 2010</b>	<b>Jun 2011</b>	<b>Jun 2012</b>	<b>Jun 2013</b>	<b>Jun 2014</b>
0-49	15000	15450	15800	15900	16250	16100	16200	16200	16250	16300	16350
50-54	1,650	1,650	1,700	1,700	1,700	1,750	1,750	1,750	1,800	1,850	1,800
55-59	1,500	1,550	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,650	1,650
60-64	950	1,000	1,100	1,250	1,350	1,450	1,550	1,550	1,600	1,600	1,550
65-69	800	800	800	850	850	900	950	1,050	1,150	1,300	1,400
70-74	700	700	700	700	700	750	750	800	800	850	900
75-79	800	750	700	700	650	600	650	650	650	650	700
80-84	650	650	600	600	550	600	550	550	500	500	500
85+	550	550	600	650	700	700	700	700	750	750	750
<b>Total</b>	<b>22,600</b>	<b>23,100</b>	<b>23,600</b>	<b>23,950</b>	<b>24,350</b>	<b>24,450</b>	<b>24,700</b>	<b>24,850</b>	<b>25,100</b>	<b>25,450</b>	<b>25,600</b>
60-69	1,750	1,800	1,900	2,100	2,200	2,350	2,500	2,600	2,750	2,900	2,950
70-85+	2,700	2,650	2,600	2,650	2,600	2,650	2,650	2,700	2,700	2,750	2,850
Total 60+	4,450	4,450	4,500	4,750	4,800	5,000	5,150	5,300	5,450	5,650	5,800
% 60+	19.7%	19.3%	19.1%	19.8%	19.7%	20.4%	20.9%	21.3%	21.7%	22.2%	22.7%
Median age	38.3	38.6	38.9	39.2	39.3	39.5	39.7	39.9	40.1	40.4	40.6

<b>WODEN VALLEY</b>											
<b>Age (years)</b>	<b>Jun 2004</b>	<b>Jun 2005</b>	<b>Jun 2006</b>	<b>Jun 2007</b>	<b>Jun 2008</b>	<b>Jun 2009</b>	<b>Jun 2010</b>	<b>Jun 2011</b>	<b>Jun 2012</b>	<b>Jun 2013</b>	<b>Jun 2014</b>
<b>0-49</b>	21150	20900	20950	20900	20550	20400	20300	20000	19750	19450	19200
<b>50-54</b>	2,150	2,150	2,150	2,200	2,200	2,200	2,200	2,250	2,250	2,250	2,250
<b>55-59</b>	2,150	2,150	2,150	2,050	2,000	2,000	2,000	2,000	2,000	2,000	2,000
<b>60-64</b>	1,900	1,850	1,850	1,900	1,900	1,900	1,950	1,900	1,850	1,800	1,800
<b>65-69</b>	1,450	1,500	1,550	1,650	1,650	1,650	1,650	1,650	1,700	1,700	1,750
<b>70-74</b>	1,150	1,200	1,200	1,200	1,250	1,300	1,350	1,400	1,500	1,500	1,500
<b>75-79</b>	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,100	1,150	1,200
<b>80-84</b>	750	800	800	850	850	900	900	900	950	900	900
<b>85+</b>	500	550	600	650	700	750	800	900	950	1,000	1,050
<b>Total</b>	<b>32,200</b>	<b>32,150</b>	<b>32,200</b>	<b>32,300</b>	<b>32,250</b>	<b>32,150</b>	<b>32,150</b>	<b>32,050</b>	<b>31,950</b>	<b>31,850</b>	<b>31,700</b>
<b>60-69</b>	3,350	3,350	3,400	3,550	3,550	3,550	3,600	3,550	3,550	3,500	3,550
<b>70-85+</b>	3,450	3,600	3,650	3,750	3,850	4,000	4,100	4,250	4,500	4,550	4,650
<b>Total 60+</b>	6,800	6,950	7,050	7,300	7,400	7,550	7,700	7,800	8,050	8,050	8,200
<b>% 60+</b>	21.1%	21.6%	21.9%	22.6%	22.9%	23.5%	24.0%	24.3%	25.2%	25.3%	25.9%
<b>Median age</b>	39.5	39.8	40	40.1	40.3	40.6	40.8	41.1	41.5	41.8	42.2
<b>WESTON CREEK - STROMLO</b>											
<b>Age (years)</b>	<b>Jun 2004</b>	<b>Jun 2005</b>	<b>Jun 2006</b>	<b>Jun 2007</b>	<b>Jun 2008</b>	<b>Jun 2009</b>	<b>Jun 2010</b>	<b>Jun 2011</b>	<b>Jun 2012</b>	<b>Jun 2013</b>	<b>Jun 2014</b>
<b>0-49</b>	15,200	15,150	15,000	14,850	14,550	14,450	14,450	15,050	15,700	16,400	17,300
<b>50-54</b>	1,800	1,700	1,650	1,650	1,600	1,550	1,550	1,600	1,600	1,650	1,700
<b>55-59</b>	2,100	2,100	2,000	1,850	1,700	1,600	1,550	1,500	1,550	1,550	1,550
<b>60-64</b>	1,450	1,500	1,600	1,700	1,800	1,850	1,850	1,800	1,700	1,600	1,550
<b>65-69</b>	1,000	1,000	1,050	1,100	1,200	1,250	1,350	1,400	1,550	1,650	1,700
<b>70-74</b>	700	700	750	800	850	850	900	950	1,000	1,050	1,150
<b>75-79</b>	550	550	550	550	550	600	600	650	650	700	750
<b>80-84</b>	400	400	400	400	400	450	450	450	450	450	500
<b>85+</b>	350	350	400	400	400	450	450	450	500	500	550
<b>Total</b>	<b>23,400</b>	<b>23,450</b>	<b>23,350</b>	<b>23,200</b>	<b>23,100</b>	<b>22,950</b>	<b>23,100</b>	<b>23,950</b>	<b>24,800</b>	<b>25,650</b>	<b>26,800</b>
<b>60-69</b>	2,450	2,500	2,650	2,800	3,000	3,100	3,200	3,200	3,250	3,250	3,250
<b>70-85+</b>	2,000	2,000	2,100	2,150	2,200	2,350	2,400	2,500	2,600	2,700	2,950
<b>Total 60+</b>	4,450	4,500	4,750	4,950	5,200	5,450	5,600	5,700	5,850	5,950	6,200
<b>% 60+</b>	19.0%	19.2%	20.3%	21.3%	22.5%	23.7%	24.2%	23.8%	23.6%	23.2%	23.1%
<b>Median age</b>	39.2	39.3	39.5	39.7	40	40.4	40.5	40.2	39.9	39.7	39.3

<b>NORTH BELCONNEN</b>											
<b>Age (years)</b>	<b>Jun 2004</b>	<b>Jun 2005</b>	<b>Jun 2006</b>	<b>Jun 2007</b>	<b>Jun 2008</b>	<b>Jun 2009</b>	<b>Jun 2010</b>	<b>Jun 2011</b>	<b>Jun 2012</b>	<b>Jun 2013</b>	<b>Jun 2014</b>
<b>0-49</b>	26,050	25,500	25,200	24,750	24,650	24,800	24,900	25,050	25,300	25,450	24,850
<b>50-54</b>	3,150	3,000	2,850	2,750	2,600	2,550	2,550	2,500	2,500	2,500	2,450
<b>55-59</b>	2,550	2,750	2,850	2,800	2,750	2,700	2,600	2,500	2,450	2,350	2,350
<b>60-64</b>	1,400	1,550	1,700	1,950	2,150	2,350	2,500	2,600	2,550	2,550	2,450
<b>65-69</b>	1,000	1,050	1,100	1,150	1,250	1,300	1,450	1,600	1,800	2,050	2,200
<b>70-74</b>	600	650	700	750	800	900	950	1,000	1,050	1,100	1,200
<b>75-79</b>	450	500	500	500	550	550	600	650	700	700	800
<b>80-84</b>	350	350	350	400	400	400	400	450	450	450	450
<b>85+</b>	150	150	200	250	250	300	350	350	400	400	450
<b>Total</b>	<b>23,400</b>	<b>23,450</b>	<b>23,350</b>	<b>23,200</b>	<b>23,100</b>	<b>22,950</b>	<b>23,100</b>	<b>23,950</b>	<b>24,800</b>	<b>25,650</b>	<b>26,800</b>
<b>60-69</b>	2,400	2,600	2,800	3,100	3,400	3,650	3,950	4,200	4,350	4,600	4,650
<b>70-85+</b>	1,550	1,650	1,750	1,900	2,000	2,150	2,300	2,450	2,600	2,650	2,900
Total 60+	3,950	4,250	4,550	5,000	5,400	5,800	6,250	6,650	6,950	7,250	7,550
% 60+	11.0%	12.0%	12.8%	14.2%	15.2%	16.2%	17.3%	18.2%	18.8%	19.4%	20.3%
Median age	34.1	34.5	34.9	35.3	35.6	35.9	36.1	36.4	36.6	36.9	37.5
<b>SOUTH BELCONNEN</b>											
<b>Age (years)</b>	<b>Jun 2004</b>	<b>Jun 2005</b>	<b>Jun 2006</b>	<b>Jun 2007</b>	<b>Jun 2008</b>	<b>Jun 2009</b>	<b>Jun 2010</b>	<b>Jun 2011</b>	<b>Jun 2012</b>	<b>Jun 2013</b>	<b>Jun 2014</b>
<b>0-49</b>	32,900	32,550	32,600	32,600	32,600	32,350	31,900	31,450	31,150	30,700	30,300
<b>50-54</b>	3,050	2,950	2,850	2,800	2,800	2,800	2,800	2,850	2,850	2,850	2,850
<b>55-59</b>	3,300	3,250	3,200	3,000	2,850	2,700	2,650	2,550	2,550	2,550	2,550
<b>60-64</b>	2,250	2,400	2,550	2,800	2,950	2,950	2,950	2,950	2,750	2,650	2,550
<b>65-69</b>	1,550	1,650	1,700	1,850	1,900	2,050	2,200	2,350	2,600	2,750	2,800
<b>70-74</b>	1,050	1,100	1,200	1,250	1,350	1,450	1,500	1,550	1,650	1,750	1,850
<b>75-79</b>	900	900	850	900	900	900	950	1,000	1,050	1,150	1,250
<b>80-84</b>	600	650	700	700	750	750	750	750	750	750	750
<b>85+</b>	500	500	550	600	600	650	700	750	750	800	800
<b>Total</b>	<b>46,150</b>	<b>45,950</b>	<b>46,250</b>	<b>46,500</b>	<b>46,650</b>	<b>46,550</b>	<b>46,400</b>	<b>46,250</b>	<b>46,100</b>	<b>45,950</b>	<b>45,750</b>
<b>60-69</b>	3,800	4,050	4,250	4,650	4,850	5,000	5,150	5,300	5,350	5,400	5,350
<b>70-85+</b>	3,050	3,150	3,300	3,450	3,600	3,750	3,900	4,050	4,200	4,450	4,650
Total 60+	6,850	7,200	7,550	8,100	8,450	8,750	9,050	9,350	9,550	9,850	10,000
% 60+	14.8%	15.7%	16.3%	17.4%	18.1%	18.8%	19.5%	20.2%	20.7%	21.4%	21.9%
Median age	34.2	34.6	34.9	35.1	35.4	35.7	36.1	36.4	36.8	37.1	37.4

<b>NORTH TUGGERANONG</b>											
<b>Age (years)</b>	<b>Jun 2004</b>	<b>Jun 2005</b>	<b>Jun 2006</b>	<b>Jun 2007</b>	<b>Jun 2008</b>	<b>Jun 2009</b>	<b>Jun 2010</b>	<b>Jun 2011</b>	<b>Jun 2012</b>	<b>Jun 2013</b>	<b>Jun 2014</b>
<b>0-49</b>	39,850	38,750	37,700	36,700	35,950	34,900	34,100	33,150	32,350	31,550	30,750
<b>50-54</b>	4,700	4,650	4,600	4,450	4,300	4,200	4,100	4,000	3,950	3,850	3,700
<b>55-59</b>	3,550	3,900	4,050	4,150	4,150	4,150	4,100	4,000	3,900	3,750	3,700
<b>60-64</b>	1,850	2,000	2,300	2,650	3,000	3,300	3,600	3,750	3,750	3,800	3,750
<b>65-69</b>	1,150	1,250	1,400	1,500	1,600	1,750	1,850	2,100	2,450	2,800	3,050
<b>70-74</b>	850	900	950	1,000	1,050	1,150	1,250	1,350	1,400	1,550	1,650
<b>75-79</b>	750	750	750	800	800	850	900	950	1,000	1,050	1,100
<b>80-84</b>	500	500	550	600	650	650	650	650	700	700	750
<b>85+</b>	250	300	350	400	450	500	550	600	600	650	700
<b>Total</b>	<b>53,500</b>	<b>53,050</b>	<b>52,700</b>	<b>52,300</b>	<b>51,900</b>	<b>51,450</b>	<b>51,050</b>	<b>50,550</b>	<b>50,100</b>	<b>49,650</b>	<b>49,200</b>
<b>60-69</b>	3,000	3,250	3,700	4,150	4,600	5,050	5,450	5,850	6,200	6,600	6,800
<b>70-85+</b>	2,350	2,450	2,600	2,800	2,950	3,150	3,350	3,550	3,700	3,950	4,200
Total 60+	5,350	5,700	6,300	6,950	7,550	8,200	8,800	9,400	9,900	10,550	11,000
% 60+	10.0%	10.7%	12.0%	13.3%	14.5%	15.9%	17.2%	18.6%	19.8%	21.2%	22.4%
Median age	34.4	35.1	35.7	36.3	37	37.6	38.2	38.8	39.5	40	40.6
<b>SOUTH TUGGERANONG</b>											
<b>Age (years)</b>	<b>Jun 2004</b>	<b>Jun 2005</b>	<b>Jun 2006</b>	<b>Jun 2007</b>	<b>Jun 2008</b>	<b>Jun 2009</b>	<b>Jun 2010</b>	<b>Jun 2011</b>	<b>Jun 2012</b>	<b>Jun 2013</b>	<b>Jun 2014</b>
<b>0-49</b>	31,400	31,450	31,250	30,950	30,350	29,750	29,100	28,350	27,850	27,100	26,550
<b>50-54</b>	1,950	2,050	2,200	2,350	2,500	2,650	2,750	2,800	2,900	2,950	2,950
<b>55-59</b>	1,400	1,600	1,700	1,800	1,900	2,000	2,000	2,100	2,200	2,300	2,400
<b>60-64</b>	850	950	1,050	1,200	1,300	1,450	1,600	1,650	1,700	1,800	1,850
<b>65-69</b>	650	700	700	800	850	900	950	1,050	1,200	1,300	1,400
<b>70-74</b>	450	500	550	550	650	650	700	750	800	800	900
<b>75-79</b>	300	350	400	450	450	500	550	550	600	600	650
<b>80-84</b>	200	250	250	300	300	300	300	350	350	400	400
<b>85+</b>	100	150	150	150	200	200	250	250	250	300	300
<b>Total</b>	<b>37,350</b>	<b>37,950</b>	<b>38,250</b>	<b>38,400</b>	<b>38,500</b>	<b>38,350</b>	<b>38,200</b>	<b>38,000</b>	<b>37,800</b>	<b>37,550</b>	<b>37,350</b>
<b>60-69</b>	1,500	1,650	1,750	2,000	2,150	2,350	2,550	2,700	2,900	3,100	3,250
<b>70-85+</b>	1,050	1,250	1,350	1,450	1,600	1,650	1,800	1,900	2,000	2,100	2,250
Total 60+	2,550	2,900	3,100	3,450	3,750	4,000	4,350	4,600	4,900	5,200	5,500
% 60+	6.8%	7.6%	8.1%	9.0%	9.7%	10.4%	11.4%	12.1%	13.0%	13.8%	14.7%
Median age	30.8	31.2	31.8	32.3	32.9	33.5	34.1	34.7	35.3	35.9	36.5

<b>GUNGAHLIN - HALL</b>											
<b>Age (years)</b>	<b>Jun 2004</b>	<b>Jun 2005</b>	<b>Jun 2006</b>	<b>Jun 2007</b>	<b>Jun 2008</b>	<b>Jun 2009</b>	<b>Jun 2010</b>	<b>Jun 2011</b>	<b>Jun 2012</b>	<b>Jun 2013</b>	<b>Jun 2014</b>
<b>0-49</b>	24,650	25,550	26,750	28,450	30,000	31,950	33,550	34,600	35,500	36,350	37,450
<b>50-54</b>	1,550	1,600	1,700	1,850	2,000	2,150	2,400	2,550	2,750	2,950	3,150
<b>55-59</b>	1,150	1,300	1,400	1,450	1,550	1,700	1,750	1,850	2,000	2,100	2,250
<b>60-64</b>	700	800	900	1,050	1,200	1,300	1,450	1,550	1,600	1,700	1,800
<b>65-69</b>	500	550	600	650	700	750	850	950	1,100	1,250	1,350
<b>70-74</b>	350	350	400	400	450	500	550	600	650	650	750
<b>75-79</b>	200	250	250	300	300	300	350	350	400	400	450
<b>80-84</b>	100	100	150	150	150	200	200	200	250	250	250
<b>85+</b>	50	50	100	100	100	150	150	150	150	200	200
<b>Total</b>	<b>29,250</b>	<b>30,550</b>	<b>32,250</b>	<b>34,400</b>	<b>36,450</b>	<b>39,000</b>	<b>41,250</b>	<b>42,800</b>	<b>44,400</b>	<b>45,850</b>	<b>47,650</b>
<b>60-69</b>	1,200	1,350	1,500	1,700	1,900	2,050	2,300	2,500	2,700	2,950	3,150
<b>70-85+</b>	700	750	900	950	1,000	1,150	1,250	1,300	1,450	1,500	1,650
Total 60+	1,900	2,100	2,400	2,650	2,900	3,200	3,550	3,800	4,150	4,450	4,800
% 60+	6.5%	6.9%	7.4%	7.7%	8.0%	8.2%	8.6%	8.9%	9.3%	9.7%	10.1%
Median age	30.6	31	31.4	31.6	31.9	32.1	32.4	32.8	33.3	33.7	34.0

## Appendix 4: Modelling supply of retirement accommodation and residential aged care in the ACT

### Current profile of Aged persons Accommodation in the ACT

Retirement Accommodation	Residential Aged Care
<p><b>1. Private sector retirement villages.</b></p> <ul style="list-style-type: none"> <li>• Unlike other states, none of the three private sector Retirement Villages in the ACT include any Commonwealth RACH beds.</li> <li>• 1 operator is a national company and also operates aged care facilities in other states, the other two operators are Canberra based.</li> </ul>	<p><b>2. Private sector RACH</b></p> <ul style="list-style-type: none"> <li>• None of the private sector RACH providers operate any other forms of retirement accommodation.</li> <li>• Private sector provision of RACH is heavily concentrated in high care (nursing home care)</li> <li>• 2 private operators are Canberra based and their provision has been stable in recent years; growth has come from the entry of a national private provider.</li> </ul>
<p><b>3. Provision of retirement accommodation by providers of residential aged care.</b></p> <p><b>Major</b></p> <ul style="list-style-type: none"> <li>• In the ACT the same not-for-profit (NFP) providers that dominate residential aged care dominate the provision of retirement accommodation. This dominance is far greater than in other states.</li> <li>• All but 2 of the 7 major NFP residential aged care providers provide some form of ILUs as well as low care and/or high care beds.</li> <li>• While not all levels of care are always on the same site, and so not able to provide ageing-in-place in the same location, these providers can extend their “umbrella of care” to cover changing care needs.</li> <li>• These 7 major providers are characterised by their large scale and/or provision of multiple levels of care, on more than one site.</li> <li>• 5 of the 7 are currently in the process of expanding and diversifying their provision into residential care and/or other forms of retirement accommodation, and extending into community care through acquisition of Community Aged Care Packages and Extended Aged Care at Home Packages.</li> </ul> <p><b>Other not-for-profit providers</b></p> <ul style="list-style-type: none"> <li>• ILUs are provided by 6 of the remaining 7 NFP RACH providers who operate at a smaller scale than segment 3 providers, generally with less than 150 places each.</li> <li>• A number have restructured and expanded recently or are in the process of expanding, mainly to achieve a more viability service mix.</li> <li>• While operating ILUs with low care and/or high care beds, most operate on a single site.</li> <li>• This segment includes three ACT based organizations catering for culturally and linguistically diverse communities, while the others are all affiliated in varying ways with national NFP organizations.</li> </ul>	
<p><b>4. Small scale retirement accommodation providers</b></p> <ul style="list-style-type: none"> <li>• 4 agencies provide different forms of retirement accommodation but not residential aged care, on six separate sites.</li> <li>• all are small scale, with 4 to 22 units, and include two Abbeyfield Houses that provide a degree of assisted living.</li> <li>• Some of these smaller developments are entering into redevelopment and new management arrangements with a larger NFP provider.</li> </ul>	
<p><b>5. Public Rental Housing for Older People</b></p> <ul style="list-style-type: none"> <li>• Provided by Housing ACT.</li> <li>• Independent housing only, built to high accessibility and adaptability standards.</li> </ul>	

## Parameters for modelling

Different parameters have to be applied to modelling demand for the RACH and ILU segments of retirement accommodation.

### Modelling Residential Aged Care

The parameters for RACH are set through the Commonwealth Residential Aged Care Program needs-based planning process. Central to this process is the ratio for provision of 88 residential care places per 1000 population aged 70 years and over, divided between 40 high care and 48 low care places. The planning process also makes provision for special needs groups, notably those from culturally and linguistically diverse backgrounds and indigenous communities, and provision in the ACT includes a number of ethno-specific RACH and care packages delivered through the Ngunnawal Aboriginal Cooperative. A ratio for an additional 20 care packages per 1000 is also set, the major segment being for CACPs and a much smaller segment for EACH.

While the division between low and high care places is maintained in planning, the boundary between the levels of care has been blurred in practice with ageing in place, and also with the provision of care packages. Accordingly, the model includes all RACH beds in a single segment.

### Modelling independent living units

In contrast to the well-established guidelines for planning RACH, there are no defined guidelines for provision of ILUs. Parameters for modelling demand for retirement accommodation in the ACT can however be based on the findings of the national survey of retirement villages conducted by the University of Queensland and the Retirement Villages Association of Australia in 2002. The UQ/RVAA survey included resident funded villages operated by both for-profit and not-for-profit providers under relevant State retirement village legislation. It did not include rental villages (whether older ILUs constructed under the Aged and Disabled Persons' Homes Act where occupants rented, or newer rental villages). The key findings listed below, assist in defining basic parameters for modelling:

- The population base most appropriate for modelling retirement accommodation:
- The proportion of the population living in retirement villages was found to increase steeply with age, from less than 0.5% at ages 55-64 and 1.4% for ages 65-74 to close to 5% for ages 75-94, but then dropped after age 95.
- Notwithstanding the lower proportions of the younger cohorts living in retirement villages, the larger size of these cohorts meant that those aged under 75 accounted for large absolute numbers of residents: exactly one third of all residents were aged 55-74, half were aged 75-84 and less than 20% were aged 85 and over.
- Further, the cross-sectional data show an older age profile than the age of residents when they moved into a retirement village. The average age at entry was 70.
- The age profile of residents of retirement villages is markedly younger than those in RACH, two thirds of whom are aged 80 and over.

- It is thus considered appropriate to use age 60 as the base population for estimating demand for residential aged care in the first instance.
- The proportion of the population aged 60 and over currently living in retirement accommodation and expected under different demand scenarios.
- The UQ/RVAA study found that overall, 1.6% of the population aged 55 and over was living in retirement villages. Applying this finding to the population aged 60 and over, 2% can be taken as indicating an average level of demand for retirement accommodation that provides a baseline for modelling.
- This average varies widely from one Local Government Area to another; for example, in Victoria, the figure reaches a high of some 7% in Mornington Peninsula Shire and close to this level in some other high amenity urban fringe LGAs, but is much lower in metropolitan LGAs of lower socio-economic status and amenity, and across rural Victoria.
- The character of its population suggests that the figure for the ACT would be somewhat above the 2% average, but well below the peak figures of 7%. This expectation is borne out by the current level of provision. The number of units in the ACT at the end of 2006 is estimated at 1,093, and assuming that 1 in 4 units is occupied by a couple, giving occupancy of 1.25 residents per unit, the number of residents accommodated is estimated at 1,366. This number of residents accounts for 2.9% of the ACT population aged 60 and over in 2006. The actual data for the ACT and the findings of the UQ/RVAA study thus suggest that low, medium and high demand can be modelled on the basis of 2%, 3% and 4% of the population aged 60 and over living in retirement accommodation of one kind or another.

It is recognised that there is a considerable diversity of independent retirement accommodation, ranging from very active life-style developments to assisted living developments that include provision of a range of support services. The considerable flexibility in the level of services that can be delivered to individual residents within a single ILU development again makes it difficult to draw distinct boundaries. However, in the absence of any information that indicates the balance between different forms of ILU development, a single segment is used in the model.

### **Population projections**

The population projections for the population aged 60+ and 70+ used in the models are taken from the Australian Capital Territory Population Projections 2002-2032 and beyond, released by the ABS in June 2003. The models estimate demand only for the 20 years 2006 to 2026.

### **Baseline provision**

The baseline for the models is the level of provision estimated to be available by the end of 2006. The figures set out below show the baseline provision to be 1,633 RACH beds, for low and high care together, and 1,093 ILUs.

The baseline figures include a number of RACH and ILU developments **under construction in 2006 and expected to be completed by end 2006** are:

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**RACH:**

- 70 RACH beds at Garran, Southern Cross Homes
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**ILUs:**

- 18 ILUs at Bruce, Calvary
  - 14 ILUs at Garran, Southern Cross Homes
  - 19 additional ILUs at Farrer, Goodwin Homes
  - 15 ILUs at Aranda, Archdiocese of Canberra and Goulburn
  - 15 ILUs at Croatian Village
  - 4 ILU Tamil Senior Citizens, Isaacs
- 

**Baseline provision of RACH and ILU at end 2006 and expected development 2006-2011**

Provider sector	CACP	EACH	ILU	Low	High	ILU DA	RACH Alloc	Total
Major NFP RACH	257	147	457	464	341	416	466	2548
Total other NFP	50	130	250	393	95	0	95	1013
Private RACH	0	0	0	18	322	0	0	340
Other ILU only	0	0	386	0	0	24	0	410
<b>Total All sectors</b>	<b>307</b>	<b>277</b>	<b>1093</b>	<b>875</b>	<b>758</b>	<b>440</b>	<b>561</b>	<b>4311</b>

The baseline figures do not include further development of:

- 561 RACH beds that had been allocated prior to the ACAR announced in May 2006 and which are expected to come into operation from 2007; and
- 440 ILUs for which DAs have been approved or are at various stages of the planning process and which will also come into operation from 2007.

It is expected that all these developments will be completed over the five years to 2011, and they provide a useful basis for comparison with outcomes of the various models for 2011.

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**440 ILUs with DA approved or in train are**

- 24 units at Ridgecrest
- 150 units IRT at Belconnen
- 60 at Calvary Bruce
- 116 additional ILUs at Ainslie, Goodwin Homes
- 150 ILUs at Monash, Goodwin Homes

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**568 allocated RACH beds**

- 100 new beds at Bruce, Calvary
- 36 additional beds, Southern Cross Care Garran
- 40 beds Southern Cross Care Campbell redevelopment
- 74 new low care beds, St Andrew's Hostel, Hughes, Presbyterian Church
- 100 new beds IRT Belconnen
- 28 additional beds, at Ainslie, Goodwin Homes
- 40 new beds at Monash, Goodwin Homes
- 21 additional beds at St Nicholas
- 65 new beds at Gordon, Uniting Care
- 64 additional beds at Weston, Mirinjani Uniting Care

Three developments have been flagged for the future but DAs have not yet been submitted. These future developments aim to provide some 168 RACH beds for which allocations will have to be secured in future ACARs and 300 ILUs.

- 55 RACH beds and 150 ILU at Gordon, Unitingcare
- 70 bed and 150 ILUs at Monash, Goodwin Aged Care
- 63 RACH beds at Griffith (addition to 103 ex Morling Lodge)

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