Name: The Retirement Living Council

Submission date: 6/06/2025

Participant background

1. For the purposes of this consultation, which of the following best describes you:

   I am an industry or advocacy organisation, professional association or peak body

2. Which of the following care sectors will your feedback relate to? Please select all that apply.

   Aged care; Retirement living communities; federal incentives; home care

3. What kind of care supports, services and programs do you have experience with, and in what jurisdictions?

   The participant did not respond to this question.

1. Reform of quality and safety regulation to support a more cohesive care economy

1. To what extent do differences in quality and safety regulation make it costly or complex to provide or access care services?

   To a great extent

2. What are the reasons for your answer?

   Australia's 2,500 retirement communities are more relevant and purposeful than they have ever been. As our population continues to age, governments are facing a housing supply and affordability crisis, and the cost and demand for health and aged care services continues to increase exponentially.
   For a long time, the retirement living industry was traditionally focused on real estate but has now transitioned to a sector that is providing care, wellbeing and support services. Recent recognition of this transition was the specific inclusion of retirement villages in the new Aged Care Act as places where aged care services are provided.
   This is important given there are approximately two million people aged over 75 around the country, which is around 8 per cent of the total population. Over the course of the decade and a half, this population is expected to increase by 85 per cent to about 3.7 million and will make up approximately 10 per cent of the total projected population.
   This brings risks and opportunities for industry, consumers and governments, around affordability, supply, care and fiscal relief. Retirement communities offer a unique housing option that enhances wellbeing and lifespan for older Australians. Those who choose to live in these communities reap the benefits, but so does the broader community.
   More needs to be done to support this generation of ageing Australians who are living longer and more active lives. This change in population demographics also has significant socio-economic impacts on the nation, including the housing supply shortage and the pressure on an already struggling residential aged care sector.
   The RLC has been actively engaging with the Department of Health and Ageing as the aged care reforms have progressed. The sector is very supportive of the rights-based approach of the new Aged Care Act and the Commonwealth Government's intention to

ensure the aged care system is fit-for-purpose, financially sustainable, and has the client at the heart of every decision.
However, while supportive of the intent of the reforms, the RLC has been vocal regarding our concerns about the government's rigid adherence to a July 1, 2025, commencement date due to the overwhelming feedback from our members who provide support at home services. We cautiously welcome the recent announcement that the commencement date has been delayed until November 1, 2025, but remain alert to the need to ensure operators have enough time to ensure the required operational systems are ready, and the necessary preparations for both staff and clients can be achieved.
Importantly, operators want to ensure they have time for meaningful consultation with existing elderly clients and their families in relation to changes to their service agreements, including in some cases, significant changes to pricing as a direct result of the government's reforms.
Further, there remains serious questions about the future of Home Care packages. Commitments have been made to remove the 80,000-long Home Care package backlog from July 1, but there is little to no clarity about whether this intention remains.
We know the backlog for this crucial support already stretches beyond a year, and older Australians stranded on this list cannot afford to keep waiting and hoping for help.
Clients need support and operators need answers, meaning that reform to the way this system is structured could help more people receive they care they need, when they need it.
We have been engaging with the Department of Health and Ageing as the aged care reforms have progressed whenever given the opportunity; however, recent experiences confirm that those who are overseeing these reforms are not fully attuned to the on-the-ground implications for operators.
A recent example was the development and consultation on the proposed Aged Care Financial and Prudential Standards by the Aged Care Quality and Safety Commission, which have subsequently been revised following the RLC's strong and public advocacy highlighting the unforeseen consequences of the proposed liquidity ratios on future supply of retirement and aged care developments. The lack of direct consultation by the Commission with retirement village operators as they were developed was shockingly absent, resulting in the Commission's proposed ratio thresholds clearly exposing a total lack of understanding of this unique, at times complex, and vital sector.
Our formal submission to the Commonwealth Government and the Aged Care Quality and Safety Commission highlighted the following problems:
- Commonwealth 'reach through' into the state and territory regulated retirement sector.
- A dampening impact on investment attractiveness and a handbrake on new housing supply.
- A blanket approach to a sector that is diverse, nuanced and complex.
While common sense ultimately prevailed to some extent with the liquidity ratios as applicable to ILUs reduced, it highlighted a blinkered approach to these reforms and raises the question as to why the RLC had not been formally consulted as the aged care reforms progressed.

3. To what extent should quality and safety regulations be more aligned across the different care service sectors and jurisdictions?

Somewhat

4. What are the reasons for your answer?

see answer above

2. Embed collaborative commissioning to increase the integration of care services

1. What is your experience with collaborative commissioning

Retirement living communities have the potential to deliver better health outcomes for older Australians which in turn reduces their interaction with the health and hospital systems, releasing capacity back into the system for everyone.

Access to health services and preventive health measures can reduce hospitalisations for retirement village residents after moving into one of these communities. The potential reduction is almost 20 per cent in the first nine months after entry, and 28 per cent reduction from the pre-entry trend at 18 months.

Across the cohort of people entering retirement communities each year (12.6 per cent of over-75s), this could amount to 14,000 avoided hospitalisations annually.

Further, our sector is already providing community-based care for residents at all stages of their care journey – and we want to do more to ensure that older Australians are living independently for as long as possible.

Retirement villages are often confused with aged care facilities, but they are not the same thing. Both retirement communities and residential aged care facilities play a critical role within the seniors housing ecosystem, but for very different reasons and at different stages of the continuum of care.

The 2024 PwC-RLC Retirement Census reports that:

- 21% of retirement villages have private aged care facilities onsite
- 63% of villages provide home care services
- 27% have partnerships in place to deliver regulated home care services
- 65% offer wellbeing programmes
- 41% facilitate medical visits for residents.

In response to demand from residents, retirement communities continue to expand the level of aged care services on offer and evolve as an alternative to the traditional residential market for those older Australians who wish to delay, or avoid altogether, entry into residential aged care.

2. What are the benefits of pursuing greater collaborative commissioning?

It's not possible to talk about the future of residential aged care and the provision of home care services without considering the important housing and health value proposition of the retirement and seniors' living industry. Retirement village operators can deliver greater home care efficiencies for consumers, providers, and government alike.

In December 2023, the RLC published its Shared Care framework which outlines how retirement communities offer significant economies of scale and associated cost efficiencies through models that allow residents to 'pool' home care funding. A copy of this framework is attached for your information.

'Shared care' provides three models for retirement village operators to deliver community-based support at home services within the village setting, either independently or through a delivery partner.

The RLC and its members developed these models to show that significant efficiencies and savings to consumers and government can be achieved, even at moderate uptake. This is because retirement villages provide scale for delivering these services efficiently and cost effectively by reducing travel costs incurred by service providers, increasing the frequency of service delivery, and enhancing the quality and suite of services by leveraging those already in place in these communities.

We were therefore pleased when the Commonwealth Government announced in December 2024 an allocation of $5.2 million over three years for a support at home "pooled funding" trial. The RLC is awaiting further details of the trial and has requested our members be involved in the scoping of the trial to ensure it takes into consideration the unique operating environment of retirement villages.

3. What are the barriers to collaborative commissioning, and do you have any suggestions for solutions that would lead to better collaboration in the commissioning of care services?

Refer to answer above.
The trial itself will reveal any potential barriers to the government implementing a new and innovative model via which to deliver government funded aged care to ensure expenditure of a clients support at home funding maximises the care they receive.

3. A national framework to support government investment in prevention

1. What are the main barriers to governments investing in evidence-based prevention programs across the care economy?

One of the main barriers to increased government support for the privately funded retirement living sector is a lack of understanding of the sector.
Complexities add to the confusion as governance split between federal and state legislation dependent on which aspect of the sector and the services it provides it relates to. State based retirement village Acts in each state and territory define contracts and operational matters, with development of villages governed by state and territory planning policy, and the provision of aged care services governed by the federal Aged Care Act.
With some 250,000 older Australians choosing to call one of these communities home – and with demand for this offering forecast set to grow commensurate with the ageing of the Australian population – the lack of recognition of the potential of this sector by governments is somewhat confounding.
With all governments confronted by increasing demand for health, aged care, and hospital services, compounded by an ageing population and a housing supply and affordability crisis, it beggars belief that governments at every level continue to make policy decisions that hinder further investment in this important sector and therefore diminish increased supply due to poor consultation and ill-informed decision making.
Finally, there are several policy frameworks that remain frozen in time despite significant evolution of housing markets and economies. For example, the Age Pension assets test and Commonwealth Rent Assistance (more on these areas later).

2. What are some examples of successful prevention programs (this could include discontinued programs)?

Retirement communities allow older Australians an opportunity to maintain their independent lifestyle as they age, while still ensuring they have ready access to support, care and community.
These communities feature tailored amenities that are designed to maintain a holistic scope of wellbeing and wellness for residents by considering both their physical and emotional health. By reducing barriers to physical activity by providing access to fitness and recreational facilities, retirement communities help residents remain approximately 15 per cent more frequently active than those living independently in the community. Residents are also 20 per cent less likely to be hospitalised after entry. At the same

time, residents in retirement communities report greater emotional wellbeing levels, and are up to five times more engaged in social activities with others than non-residents. When older Australians 'rightsize' into purpose built, age-friendly accommodation, research shows that compared to older Australians not living in a retirement community, residents are:
- 15 per cent more physically active,
- 41 per cent happier,
- five times more socially active,
- twice as likely to catch up with family or friends, and
- they experience reduced levels of depression and loneliness.

Retirement communities provide better housing that leads to better health outcomes for older Australians. After only nine months living in a retirement community, residents are almost 20 per cent less likely to require hospitalisation, leading to 14,000 avoided hospitalisations across Australia every year.

Residents living in these communities – as opposed to in a unit or home in the traditional residential housing market – live independently in a safe, supportive environment with an array of social and wellbeing opportunities available to them on a daily basis. These opportunities increase social connection, offer better physical wellbeing and reduced levels of depression and loneliness.

The importance of human connection at any stage of life was highlighted by the World Health Organisation when it labelled loneliness a "global public health concern" akin to smoking 15 cigarettes a day.

The RLC's Better housing for better health report released in November 2023 demonstrates the health, societal and economic benefits of retirement living to both residents and all levels of government. A copy of the report is attached for your information.

3. How can governments better support investment in prevention activities that have broad and long-term benefits for the Australian community?

Regardless of the compelling benefits of this form of seniors' housing, federal, state and territory governments continue to impose policies that constrain supply and limit investment.

Retirement communities provide purpose designed homes for 250,000 older Australians but is effectively operating at full capacity. The 2024 PwC-RLC Retirement Census confirms a national vacancy rate of 4 per cent and as low as 2 per cent in some jurisdictions.

Streamlining planning processes and establishing minimum land allocations for retirement communities would enable greater development.

The imposition of multiple foreign owner fees and surcharges charged by both federal and state governments has a material impact throughout the life cycle of a retirement village. It not only results in materially increased costs at the initial acquisition/development stage, but it also has a material impact on the ability of foreign operators to compete due to its impact on required rates of return, and to operate established retirement villages due to increased costs to carry out routine commercial transactions.

Foreign-owned retirement living owners and operators have the track record and capacity to continue to make a substantial positive impact on the availability of retirement living accommodation in Australia.

As a sector, retirement villages already struggle to compete with other land uses when it comes to purchasing and developing land as the financial returns are often lower than other forms of residential development. The additional complexities of developing a retirement village include more onerous design and built form requirements, the upfront costs of providing on-site amenities for residents and a lack of awareness by development assessment teams which lead to longer approval timeframes and higher holdings costs.

Retirement ready was released by the RLC in June 2024, following confirmation that independent living units in retirement villages were included in the Prime Minister's national housing targets. This report assessed each State and Territory planning system to determine what government policies were contributing to additional housing supply and which were hindering it. A copy of this report is attached.

Removing rightsizing roadblocks, released in March 2025, examines financial disincentives that may prevent low-middle wealth older Australians from 'rightsizing' out of large family homes into more age-friendly accommodation. Modelling reveals that almost 60,000 well-located family homes could be released into housing markets around the country if the Commonwealth Government adjusted the Age Pension assets test and expanded eligibility for Commonwealth Rent Assistance.

The proposed reforms to the Age Pension assets test and CRA eligibility have the potential to:

- Release more than 59,000 homes into housing markets for younger Australians.
- Encourage an additional 94,000 seniors to access retirement living housing options.
- Generate more than $3 billion in stamp duty revenue for State Governments.
- Reduce cost and demand on public housing, hospital and aged care systems.
- Improve the quality of life for older Australians through age-friendly retirement living options.

Older Australians consider rightsizing to achieve greater financially stability in their retirement and improve their quality of life relative to their needs.

Rightsizing involves an older person typically moving from a larger dwelling –often their family home – into a smaller dwelling more suited to their ageing needs. This may involve moving into a dwelling with fewer bedrooms or a smaller footprint and smaller garden, posing fewer trip hazards and requiring lower levels of maintenance.

Whilst these Pensioners have a low level of income, a significant portion of their wealth is often connected to their primary home's equity which is classified as an 'exempt asset' and not factored into the Age Pension means test, making it a crucial asset in their overall financial landscape. Because of the high value of their property (in many cases), retirees could reduce or even lose their eligibility for Age Pension payments if equity in the home is released.

Whilst house prices have grown over the past 30 years, the allowable asset threshold for the Age Pension has not grown at the same rate. From 1994 to 2024, the allowable assets to receive a full Age Pension increased only 178 per cent for a single homeowner and 193 per cent for a homeowning couple. This compares to almost 600 per cent growth in capital city median house prices over this time.

Importantly, our modelling suggests the proposed asset test reform will create minimal additional direct cost to Government, as the seniors choosing to rightsize due to these reforms would continue to receive their current Age Pension rate.

In 1997, the CRA cap covered 55 per cent of the median house price, but today it's just 26 per cent. If it kept pace, it would be $550,000 – incidentally, the national average price of a two-bedroom retirement village unit – and not $252,000.

Different people receive CRA based on different circumstances, and it even differs between housing types. For example, people who are on the Age Pension and live in land lease communities are eligible for rent assistance from the Commonwealth, regardless of purchase price.

The proposed CRA reforms would require an additional financial commitment from the Commonwealth Government. If the Government adopts both the Age Pension asset test and the CRA reforms, the estimated additional cost would be $244 million per annum. The estimated financial cost of broadening CRA eligibility reforms to both current and future retirement village residents is estimated to be approximately $550 million per annum. Potential savings made across the healthcare, housing, and aged care portfolios due to the health and wellbeing benefits associated with living in a retirement community would also offset this expense.

Cover sheet: Supporting document #1

PROPERTY COUNCIL of Australia

Retirement Living

Better housing for better health

The care and cost effectiveness of retirement living

November 2023
Commissioned by the
Retirement Living Council

Retirement Living

The Retirement Living Council (RLC) is the national leadership group for the retirement living sector, championing policies that deliver age-friendly homes and better services in retirement communities across Australia. The RLC sits within the Property Council's national advocacy team and is the most powerful voice of the sector, representing for-profit and not-for-profit owners and operators of retirement villages and seniors' living communities.

We're excited and energised by the opportunities for the industry and feel enormous pride for the work we do in creating a better future for Australians young and old.

Find out more

Contents

Foreword

Australia is currently experiencing a demographic shift, propelled by an **ageing population**.

These changes will have implications for the nation's socio-economic outlook, including increased demand for healthcare, social services and aged care services.

At the same time, the pressure on our housing markets continues to grow, as does the need for age-friendly infrastructure and appropriate housing options for this ageing cohort.

With this in mind, we present this important report and commend it to industry, consumers and governments around Australia: **Better Housing for Better Health**.

Put simply, we are at a critical juncture.

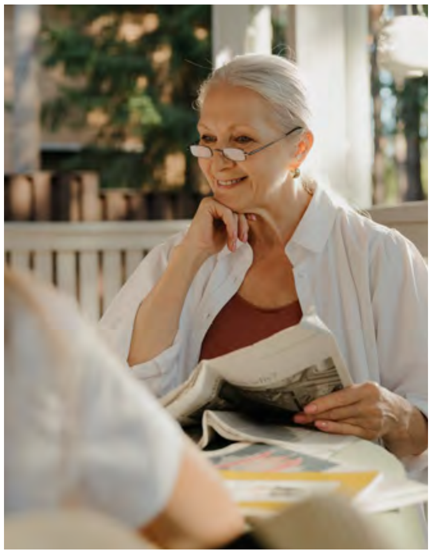
For a long time, the retirement living industry was traditionally focused on real estate, but has now transitioned to a sector that is providing care, wellbeing and support services. Indeed, it is providing better housing for better health.

This is becoming more important given there are approximately 2 million people aged over 75 around the country, which is around 8 per cent of the total population.

Over the course of the next two decades, **this population is expected to increase by nearly 70 per cent to about 3.4 million** and will make up approximately 10 per cent of the total projected population. This trend is expected to continue over the long term, as evidenced by the 2023 Intergenerational Report.

This brings risks and opportunities for industry, consumers and governments, in particular around affordability, supply, care and fiscal relief.

Retirement communities offer a unique housing option that enhances wellbeing and lifespan for older Australians. Those who choose to live in these communities reap the benefits, but so does the broader community.



Retirement communities offer a unique housing option that enhances wellbeing and lifespan for older Australians. Those who choose to live in these communities reap the benefits, but so does the broader community.

Retirement communities are often confused with residential aged care, but they are not the same thing. They do, however, have the potential to provide **significant benefits for the care sector**.

This is because living independently in a retirement community delays entry into taxpayer funded aged care, freeing up space in the system and delivering economic savings to government budgets.

Retirement living communities also have the potential to deliver better health outcomes for older Australians. This reduces interaction with the health system, releasing capacity back into the system for everyone.

And when people make the decision to 'rightsize' into a retirement community, it brings with it the added benefit of freeing up traditional housing stock for young people and growing families.

There is significant socio-economic upside for state, territory and commonwealth governments through reduced interaction with the health system and delayed entry to aged care if more older Australians are living in more of these communities.

The Retirement Living Council is delighted to present the findings and recommendations highlighted in this report.

They are practical, cost-effective solutions to help **deliver better housing for better health**, which will support the 250,000 people who currently call a retirement community home and those set to become residents into the future.

[redacted]

Tony Randello
President
Retirement Living Council

Daniel Gannon
Executive Director
Retirement Living Council

Living independently in a retirement community delays entry into taxpayer funded aged care, freeing up space in the system and delivering economic savings to government budgets.

Executive summary

Australia has the opportunity to meet the needs of our ageing population, as well as relieve pressures on the housing and residential aged care sectors.

Retirement communities enable residents to live more active and happier lives, maintaining their independence and lifestyle while still accessing support.

Australians are getting older.

More needs to be done to support this generation of ageing Australians who are living longer and more active lives. This change in population demographics also has large socio-economic impacts on the nation, including the housing supply shortage and the pressure on an already struggling residential aged care centre.

Retirement communities allow older Australians an opportunity to maintain their independent lifestyle as they age, while still ensuring they have ready access to support, care and community. These communities feature tailored amenities that are designed to maintain a holistic scope of wellbeing for residents by considering both their physical and emotional health.

By reducing barriers to physical activity and providing access to fitness and recreational facilities, **retirement communities help residents remain approximately 15 per cent more frequently active** than those living independently in the community. **Residents are also 20 per cent less likely to be hospitalised after entry**.

At the same time, residents in retirement communities report greater emotional wellbeing levels, and are up to **5 times more engaged in social activities with others than non-residents**.

These age-friendly communities deliver societal, economic, and environmental benefits including reducing pressure on the housing market and aged care sectors.

Retirement communities are designed to provide an affordable option for older Australians, **with entry prices on average 48 per cent lower than median house prices in similar areas**.

The planned 18,000 retirement dwellings will reduce the housing gap by 18 per cent between 2023 and 2030. This can aid with current supply shortages as well as free up existing housing stock for new generations. **Developing retirement communities to maintain market penetration could reduce the housing supply gap between 2023 and 2030 by up to 67 per cent**.

The enhanced service access and tailored environment of retirement communities also has the potential to delay older Australians entry into residential aged care. A one-year delay could lower government spending by up to $350 million per annum. **Maintaining the current market penetration to 2030 and a two-year delayed entry into aged care would lower the financial burden on Commonwealth taxpayers by almost $1 billion every year**.

'Rightsizing' also produces environmental benefits by reducing household energy consumption by 7 per cent. This can work to ensure a more sustainable use of energy, as well as provide financial savings for households.

More must be done to unlock these benefits by increasing the supply of retirement communities and incentivising more older Australians to rightsize.

Nearly 30 per cent of Australians over the age of 55 are considering rightsizing. Three key factors need to be established to encourage this transition into retirement communities.

1. Ensuring sufficient supply

Maintaining the current market penetration of 12.6 per cent of over 75s will require an additional 49,000 dwellings than currently forecasted. Increasing this rate to match similar jurisdictions such as New Zealand at 14 per cent will require an additional 80,000 dwellings. Streamlining planning processes and establishing minimum allocations for retirement communities can enable greater development.

2. Strengthening financial incentives

High costs associated with rightsizing can disincentivise older Australians to move. Increasing residents' eligibility for financial support and exempting a portion of home sale proceeds from the age pension asset test can encourage more rightsizing.

3. Creating emotional motivation and understanding

Almost 65 per cent of older Australians want to 'age in place', decreasing the rate of rightsizing. Developing a central housing information service and engaging with real estate agents to provide tailored advice to older people can increase awareness of retirement communities and encourage rightsizing.

Retirement communities provide health, societal and economic benefits to residents and the broader Australian community.

Better health

The retirement living industry reduces pressure on Australia's health system and residents show delayed entry into aged care, saving state, territory and federal budgets **hundreds of millions** per year.

- **Reduced pressure** on Australia's health system through reduced interactions
- **20 per cent less likely** to require hospitalisation
- **Improved access to GPs** and allied health professionals
- Can delay older Australians entry into aged care
- Are **15 per cent more frequently** physically active

New retirement communities have a **focus on delivering care, health and support services**, reducing pressure on Australia's health system, state, territory and federal health budgets, and delaying entry into aged care.

Better housing

Retirement living can **reduce the housing shortage by 67 per cent** if the sector were to meet expected demand and maintain current market penetration rates. The many advantages this sector provides to housing Australians includes:

- **Affordable housing** to the growing number of ageing Australians
- Makes more homes available by returning stock to the general market, **reducing pressure** on the housing crisis
- The planned 18,000 retirement dwellings will reduce the housing gap by **18 per cent**
- 49,000 additional dwellings would reduce Australia's housing shortage by **67 per cent**

By providing older Australians with affordable housing options and returning traditional stock back into the marketplace, this sector has the potential to reduce pressure on Australia's housing shortage.

Societal benefits

Loneliness, inactivity and depression among older Australians is a growing area of concern. Retirement communities are addressing these issues, with data showing that residents spend **more time with family** and friends, are **happier** and **more socially active**.

- Up to **5 times** more socially active
- **Twice as likely** to get together with family and friends
- **41 per cent** happier
- **Physically and mentally** healthy

The wider societal benefits are also readily apparent and significant. Australians who rightsize:

- Reduce energy consumption of older Australians by 35 per cent
- Are **more engaged** with the wider community

Economic incentives

With the number of Australians aged 75+ growing from **2 million to 3.4 million over the next two decades** – and the increasing cost of **government-funded aged care services** – the retirement living sector has never been more important. With potential to **cut government spending, alleviate strain on critical services**, and yield **societal and economic benefits**, all tiers of government must realise this sector's potential.

The retirement living sector:

- Supports almost **30,000 jobs** every year
- Provides the Commonwealth government **hundreds of millions in savings** through delayed entry into aged care
- **Avoids 14,000 hospitalisations** in older Australians annually
- Provides retirees homes that are on average are **48 per cent more affordable** than homes in same post code
- Saves governments **$4.7 million** due to reduced levels of loneliness

You have a right as an older person to have a nice life. That's what the village gives you. You can do stuff you didn't have time to do when you were working full time. There's lots to do. We do art. There's music. There's Happy Hour. You've always got someone around. The more help you can get and the more safety you can feel around you. You deserve that in your retirement. I wish I'd gone earlier. I'm really happy here.

Susan O'Leary, Aveo Cherry Tree Grove resident, Victoria

Resident, Susan O'Leary

Section 01

Australians are living longer and aspiring for more in their retirement

Image by Marcus Aurelius on Pexels

Ageing population

Australians living longer

The number of Australians aged over 75 will grow by 1.4 million by 2040.

Australia is currently experiencing a demographic shift. The population is ageing, driven by increasing life expectancy and declining fertility rates. This will be further propelled by the 'Baby Boomer' cohort, who are reaching retirement age and older between 2011 and 2031.

In 2022, around 2 million people aged 75 and over lived in Australia. This is approximately 8 per cent of the total population.

Over the course of the next 20 years, **this population is expected to increase by nearly 70 per cent to 3.4 million and will make up approximately 10 per cent of the total projected population**. This trend is expected to continue over the long term, with the old-age dependency ratio expected to continue increasing to 2060.[1]

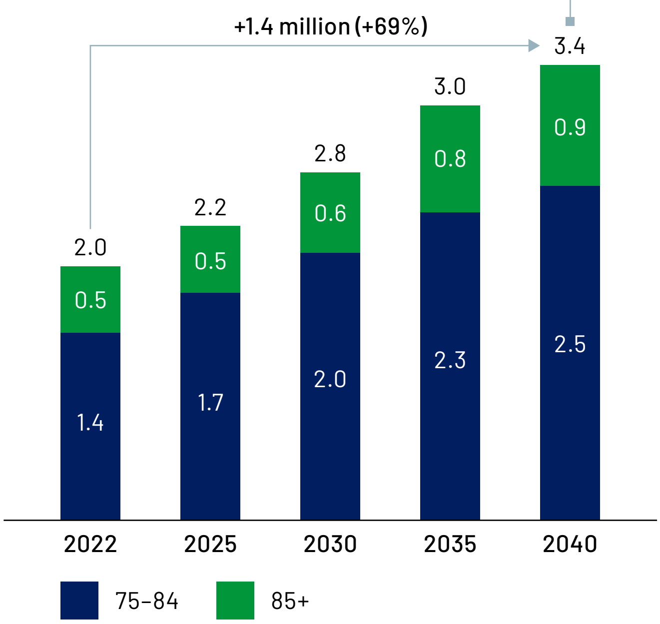
This ageing population has implications for the nation's socio-economic situation, including increased demand for healthcare, social services and aged care services. This will also exacerbate pressure on the housing market, with the need for age-friendly infrastructure and appropriate housing options for this growing cohort.

Exhibit 1

Population of Australians over the age of 75[2]

Millions, projected to 2040

By 2040, nearly 10 per cent of the population will be over the age of 75, up from 8 per cent in 2022.



Totals may not add up due to rounding.
See Appendix A for state by state breakdowns of population growth.

Health and wellbeing

Australians living longer

Older Australians are healthier and more active than ever before, with one in three people over 75 being active every day of the week.

At the same time, Australians are enjoying more years of full health and wellbeing, with life expectancies in Australia amongst the highest in the world.

Overall, older people are more active than previous generations, with roughly one in three people over 75 active every day. This is similar to international counterparts, who are also more active today than their equivalents 10 years prior.

These trends suggest that older people are staying healthier for longer. Research shows that health-adjusted life expectancy for those aged 65 has increased between 2003 and 2018, for both men (by 1.7 years) and women (0.9 years).

As a result, older people are able to maintain their independence for longer and have the opportunity to maintain a social and active lifestyle as they age. **To do this, they also require access to appropriate facilities and amenities.**

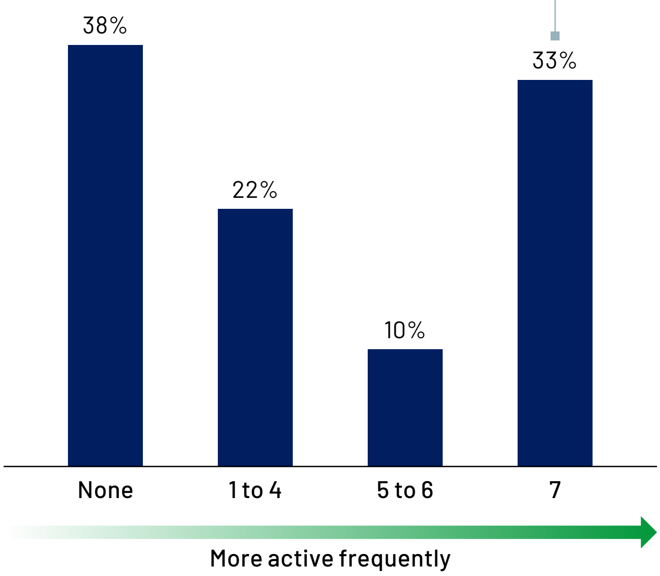
Exhibit 2

Number of active days for people over 75 years[3]

Percentage of people aged 75 and over who undertook physical activity (number of days active in the last week)

International research shows that **people over 75 are more active**, compared to 10 years earlier.

The current generation is **increasing their active time on exercise and outdoor activities**.



Dwelling suitability

Australians living longer

Older Australians are typically living in oversized dwellings needing domestic support, such as assistance with property maintenance.

In 2021, nearly three quarters of people aged 75 and over were living in dwellings where they have one or more bedrooms spare. This represents **more than 1.4 million older Australians that are residing in dwellings that are oversized for their needs**.

This inefficient use of space also adds pressure on existing housing supply challenges. Due to slow supply, Australia is expected to see a shortage of 101,400 dwellings between 2023 and 2030. Freeing up housing stock can work to address these challenges.

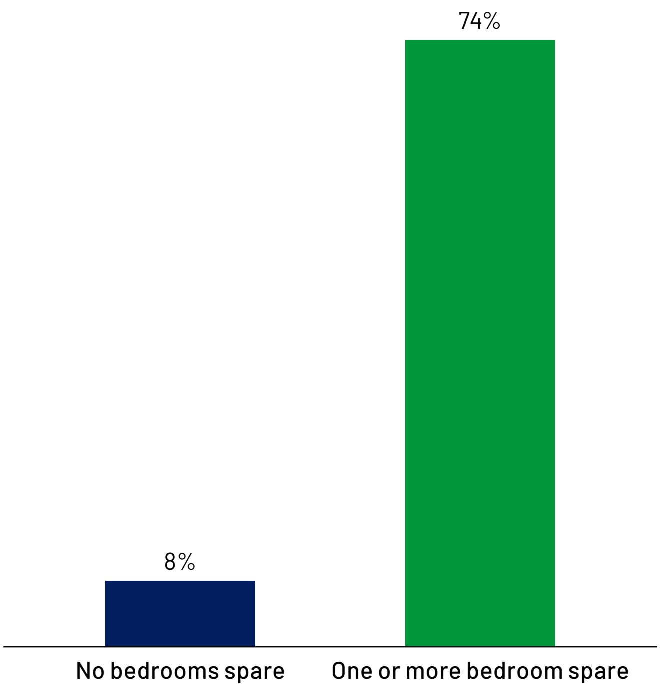
At the same time, one in five Australians over 65 also require assistance with domestic tasks, including property maintenance (20 per cent) and household chores (16 per cent). These needs rank second and third only to healthcare.

This suggests that the majority of older people are not rightsizing, and many are requiring extra supports to continue living in their family home. **Larger dwellings can also increase health risks as people age, with most cases of falls in older people occurring at home.** Features such as stairs without railings, clutter or poor lighting can create hazards for older people.

Exhibit 3

Dwelling suitability of people aged 75 years and older[4]

Per cent of households



Remaining percentages stated they needed one or more bedroom, or were not applicable. See Appendix B for state by state breakdowns.

I used to mow my own lawn, but it just got too much for me. Moving somewhere where the maintenance is looked after was fantastic.

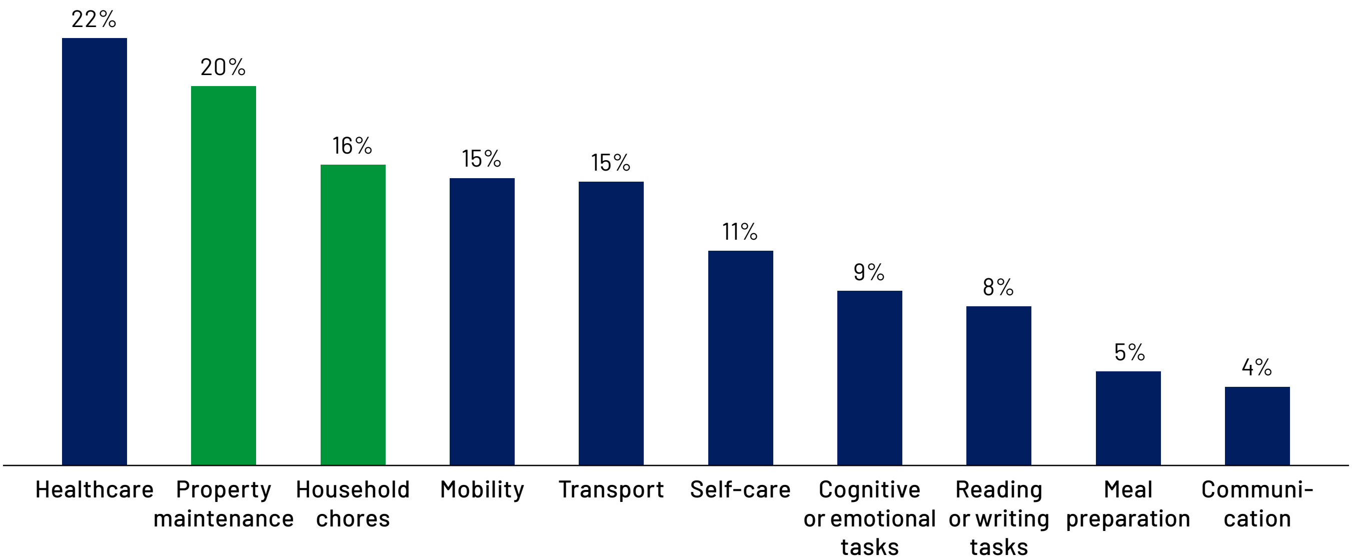
Now, my next-door neighbour and I enjoy looking after a fairly big area of garden outside our units. At the house I loved tending to my gardens, so it's nice to be able to continue that where I am now.

Mary, Cazna Gardens Retirement Community resident, Queensland

Exhibit 4

Persons aged 65 years and over who needed assistance[5]

Per cent of persons 65 and older



Pressure points

Australians living longer

This surge in older Australians is set to add pressure to an already struggling residential aged care sector.

Demand for residential aged care facilities, in-home care services, and various forms of supportive living will see an unprecedented increase over the next 20 years.

By 2040, the number of residential aged care recipients is expected to increase by almost 50 per cent to approximately 271,000, and aged care spending is expected to make up 2.1 per cent of GDP by 2060.

Australia's care sector already faces considerable strain, grappling with growing demand, provider viability issues and workforce shortages.

At least one in three people accessing residential aged care and Home Care services — or over 30 per cent — have experienced substandard care.

The Royal Commission on Aged Care Quality and Safety

The projected population growth of older people will put further strain on this sector. The current infrastructure, staffing and resources may not be sufficient to handle this wave of demand. At the same time, changing preferences and community expectations about the delivery of care will require the aged care sector to adapt.

More can be done to ensure that older Australians are supported and able to remain healthy in the community including increased access to Home Care packages and age-friendly environments that ensure a high quality of health and wellbeing.

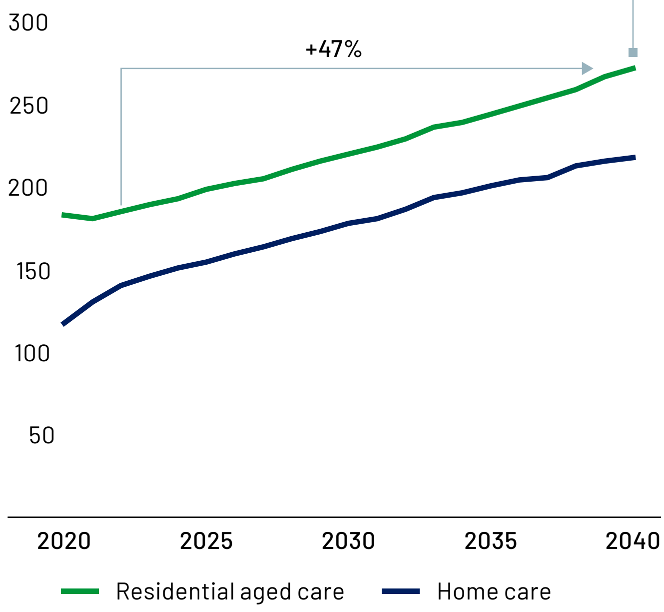
Retirement communities can enhance this through onsite access to healthcare professionals and establishing a deeper network of Home Care and support services.

Exhibit 5

Projected recipients by care program[6]

'000

By 2040, the number of people accessing residential aged care is **expected to increase by nearly 50 per cent to ~271,000**.



Section 02

Retirement communities allow people to be healthier, happier and more socially connected

Industry overview

Better health | More homes | Societal benefits

Retirement living is one of the fastest growing sectors of the Australian economy.

Retirement communities provide older Australians an opportunity to receive the support and care they require while still enabling them to maintain their lifestyle. According to the 2021 ABS Census, almost **250,000 Australians are living in retirement communities**. This is up 23 per cent since 2016, when 198,000 Australians were living in these communities.

The industry is growing, with 458 operators of retirement communities across the country, employing 29,500 Australians. In total, they provide more than 200,000 independent living units (ILUs). This offers an estimated 12.6 per cent of the Australian population over the age of 75 the opportunity to reside in a retirement community.

These communities are spread in type, with **64 per cent constructed as horizontal layout communities, and 18 per cent as vertical[7] in 2021**. There has been an increase in the development of vertical communities, which better enable these communities to be developed in high-density areas, allowing residents to better access the resources and amenities of their broader, local area.

Occupancy rates are also reaching full capacity across the country. ILUs are on average occupied by 1.2 residents. **The national average age of current residents is 81 years** in 2022.

On average, **residents enter retirement communities at the age of 75**, and remain there for 9 years.

The entry price of an ILU is on average $516,000. More than half (57 per cent) of units are tenured on a loan lease, with 37 per cent on a loan license and 11 per cent on a strata/freehold title.

Australia's retirement living sector at a glance[8]

249,000+

Retirement community residents over the age of 55 in Australia

2,500

Retirement communities across Australia

450+

Retirement community operators

29,500

Workers employed in the sector

12.6 per cent

Market penetration of Australians over the age of 75

Maintaining independence

Better health | More homes | Societal benefits

Retirement communities empower residents to maintain the benefits of independence whilst enabling ready access to care and support.

Retirement communities meet the needs of the ageing population by providing an environment where older Australians are able to maintain their independence and lifestyle, with ready access to health, wellbeing, care and support services.

These communities focus on providing residents a lifestyle-driven model of living, focusing on providing care while also enabling older Australians to maintain a sense of purpose. As they are increasingly being built in high-density areas, residents are able to access community resources while also having support systems and additional facilities in close proximity.

Older Australians choosing to live at home are able to access Home Care packages which allow access to in-home domestic services and home modifications to meet the needs of ageing residents. However, as of September 2022, **more than 44,000 people were waiting for access to a Home Care package** at their approved level, delaying their access to such services. This was greatest in NSW and Victoria where 15,000 and 10,000 people (respectively) were waiting for access.

In contrast, residential aged care is needs-driven for those that require higher levels of care. They focus on delivering round-the-clock support for medical care and activities of daily living and focus on providing facilities to meet the needs of those with higher care needs.

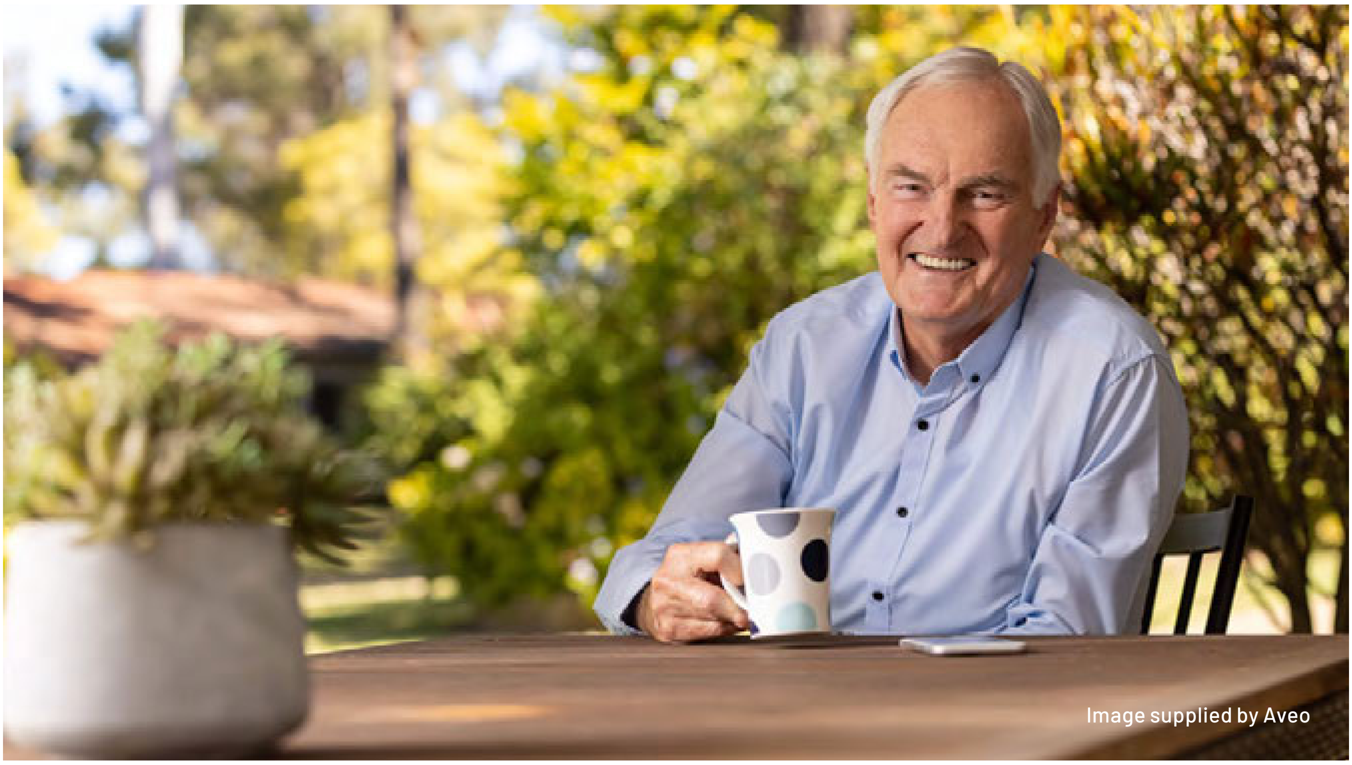


Image supplied by Aveo

Exhibit 6

Characteristics of retirement communities and residential aged care[9]

	Living at home with a Home Care Package	Retirement communities	Residential aged care
Drivers to entry	**Consumer-directed** care approach – for those that require services to continue living at home	**Lifestyle driven** – for those looking for low maintenance community, freeing up equity, and access to support when required	**Needs driven** – for those who need high levels of support and round-the-clock assistance
Level of care	**Coordinated services** based on individual needs	**Supportive community and in-home services**, including access to Home Care packages	**24/7 onsite support** for daily tasks and healthcare
Social opportunities	No additional social opportunities provided	**Onsite activities, sports, and cafes**, as well as proximity to local restaurants, cinemas and parks	**Organised activities** and entertainment including social outings, meals, and crafts
Access to support services	Availability of **in-home domestic support, access to health professionals and home modifications**	Availability of **in-home domestic support, visiting health professionals** and on-site staff	Onsite visits from doctors and health professionals, including **nurses on call**
Facilities	No additional facilities provided	Greater access to **health and wellbeing facilities**, including gyms, pools and community centres onsite	**Facilities for higher care needs**, including dementia care and respite care

Wellbeing

Better health | More homes | Societal benefits

Tailored amenities and access to health services improve physical and social wellbeing of residents.

As Australians age, it is important they have access to supports and services that address both physical, social and emotional wellbeing. Recognising the importance of holistic wellbeing, retirement communities combine facilities, programs and services to improve both the physical and social wellbeing of residents.

Physical wellbeing is enhanced by enabling increased physical activity through ready access to facilities and social sports programs, in addition to ease of access to healthcare professionals onsite.

Social and emotional wellbeing is considered by ensuring access to mental wellbeing professionals and programs. Retirement communities also encourage social and community engagement by providing older Australians an environment with peers, as well as onsite amenities and events such as cafes, restaurants, and organised team sport activities.

Exhibit 7

Wellbeing amenities available in retirement[10]

Overall improved quality of life			
Physical wellbeing		**Social and emotional wellbeing**	
Increased physical activity levels	**Improved physical health outcomes**	**Emotional wellbeing**	**Social and community engagement and enabling amenities**
Ready access to facilities and opportunities to engage in social sports and exercise	Easy and frequent access to healthcare professionals	Access to mental wellbeing professionals and programs	Social and community programs alongside amenities like onsite cafes and restaurants

Fighting fit

Better health | More homes | Societal benefits

By enabling access to facilities that encourage physical activity, retirement communities enable older Australians to be more frequently active.

Retirement communities enable older people to easily engage in physical activity by minimising barriers that prevent people from being active when living alone, with important and obvious benefits to governments as a direct result.

These communities provide access to facilities that promote physical health, including fitness centres and bowling greens. Close to 50 per cent of retirement communities have onsite gyms or swimming pools. These facilities are available in closer proximity to residents with little to no barriers to access.

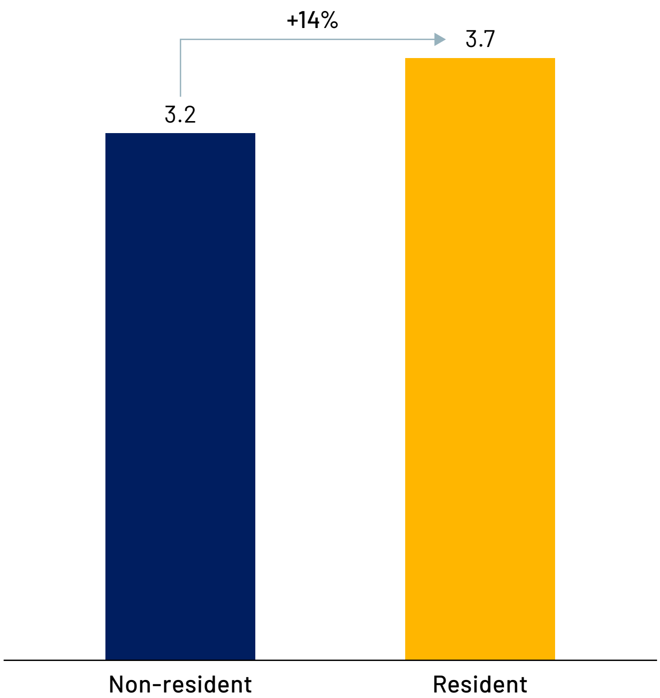
Organised physical activity, such as walks and aerobics further support an active lifestyle for residents. Additionally, retirement communities enable residents to better connect with same-aged peers, which can encourage greater engagement in physical activity together.

This contributes to higher levels of physical activity for people living in retirement communities. **Almost one third participate in fitness programs, over two thirds participate in moderate activity at least once a week**, and they are more likely to report higher frequencies of moderate activity overall (see Exhibit 8).

Exhibit 8

Average activity levels for retirement residents and the community at large[11]

Self-reported frequency of moderate activity, rated on a scale from 1 to 5 (1 is never, 5 is every day)



30 per cent

Of retirement community residents participate in an onsite fitness program or similar

69 per cent

Of residents participate in 30 minutes of moderately intense activity at least once a week

Sustained impact

After 5 years, activity levels of residents remain higher than that of non-residents[12]


The Verge at Burleigh Gold Coast

We offer Tai Chi classes, musical exercise classes and yoga.

We also have a partnership with Club Active, who come in and do fitness assessments for our residents and show them how to use the gym equipment safely. They give the residents a program that they can follow, and just about everyone has taken up that opportunity.

The residents absolutely love the yoga classes. [It] is a great alternative exercise for them to improve their balance – and it's an excellent option for those who can't get out and about so easily.

Carolyn, The Verge Village Manager, Queensland

Fewer hospitalisations

Better health | More homes | Societal benefits

Through access to health services, retirement communities can reduce hospitalisations by almost 20 per cent in the first 9 months after entry.

Access to health services and preventive health measures can reduce hospitalisations for residents after moving into a retirement community. **This potential reduction is almost 20 per cent in the first nine months after entry, and 28 per cent reduction from the pre-entry trend at 18 months**.

Across the cohort of people entering retirement communities each year, **this could amount to 14,000 avoided hospitalisations annually**.

Several factors can contribute to this. Retirement communities provide older Australians greater pathways to care than available when living at home. **More than 50 per cent of retirement communities feature wellbeing facilities** or visiting health professionals, such as nurses, GPs and physiotherapists. This can help minimise some of the barriers to care Australians can face, such as long GP clinic wait times and the decreasing number of bulk-billing GPs.

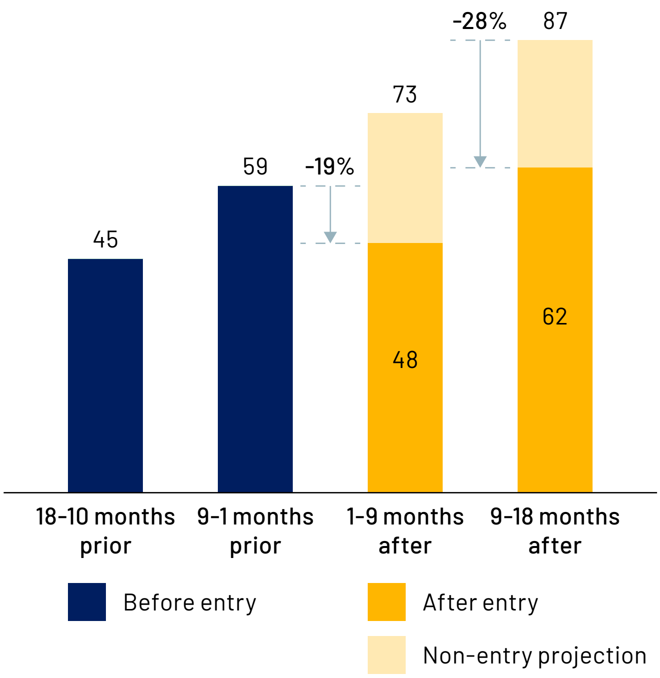
These communities also provide purpose-built, safe environments that meet the needs of older residents. **Nearly one third of people over 65 fall each year**, particularly when living at home. Retirement communities are designed to reduce hazards by featuring single floor units, ramps and handrails. **Taking such measures is found to reduce the rate of falls by 26 per cent**.

Exhibit 9

Hospitalisation rate before and after entry into a retirement community[13]

Number of hospitalisations per 100 person-years

Around 14,000 hospitalisations are estimated to be **avoided each year** for retirement community residents.[14]



Case study

Improving resident and community health

Retirement communities work with healthcare providers to enable their residents with frequent and routine access to medical care.

At the Weary Dunlop retirement community in Victoria, General Practitioners from Wheelers Hill Clinic visit the residents twice a week to offer accessible care onsite. These health practitioners conduct health checks, deliver vaccines, and give informational talks to residents on any relevant health issues.

Ryman makes it as easy as possible for us to provide a high standard of care for residents. We can access patient records from our medical clinic and issue prescriptions remotely.

Dr Silva, GP at Wheelers Hill Clinic, Victoria

By having GPs onsite at least once a week and working closely with the doctors at our clinic, Ryman is helping reduce waiting times and long hospital queues in the local community.

Dr Silva, GP at Wheelers Hill Clinic VIC

Increased access to these services can provide further benefits to the community. Onsite care helps ease the burden on local hospitals and GP clinics that will continue to be under greater pressure with the ageing Australian population. Additionally, ensuring resident access to high quality care means residents can better maintain their health and independence for longer, thus delaying their entry into the aged care system.

Socially active

Better health | More homes | Societal benefits

Retirement community residents are up to 5 times more likely to participate in social activities.

Residents of retirement communities are more engaged in social activities than those in the community at large. Nine in 10 residents have a social committee or program, alongside extensive community amenities, cafes and restaurants, that encourage social engagement. At the same time, the central locations of many retirement communities enables residents to engage with the wider community.

These activities and facilities contribute to higher levels of social engagement for residents, including being almost **five times more likely to frequently participate in social activities** with others; more than two times as likely to frequently get together with friends or family; and more than three times more likely to frequently eat with someone.

Social interaction helps increase the sense of community, friendship and social identity among older Australians, in turn associated with improved quality of life.

Residents report that time saved performing maintenance duties around the home reduces stress and allows more time to engage socially with family and friends.

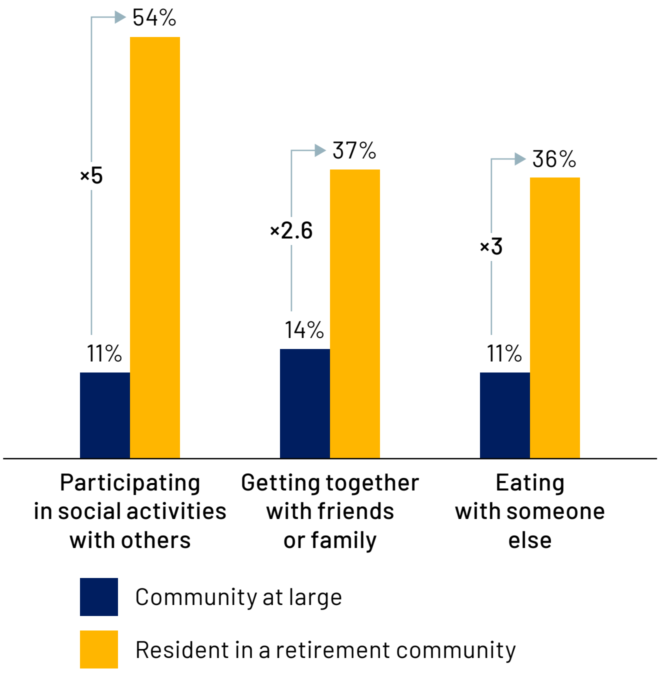
Lower levels of social engagement are associated with decreased physical inactivity, unhealthy sleep patterns, poor self-rated health, and overall low quality of life. By staying socially engaged, older people can remain intellectually active and better manage their mental health in their later years.

Exhibit 10

Participation in social activities[15]

Percentage of respondents participating frequently – or much more frequently – in social activities than in the past

Social engagement is associated with positive health in older people, improving mental health and depressive symptoms. Retirement communities can improve social relationships by providing a **sense of belonging, social identity, and fulfillment**.



Happy campers

Better health | More homes | Societal benefits

People living in retirement communities are happier and report higher mental and social wellbeing outcomes.

Older Australians can face loneliness and unique mental health challenges as they age. Decreased interaction with others, health factors and perceived lower control in their life can be risk factors for low mental health.

Improving mental health outcomes for older Australians can reduce demand on mental health services, such as lower rates of hospitalisation and community-based services. Interventions to reduce levels of loneliness in older people are also found to **produce cost savings of $4.7 million after five years** through reductions in healthcare treatment costs.

Retirement communities can provide an environment that works to mitigate these risk factors and reduce costs for governments.

Residents can participate in a variety of activities, such as social games or fitness programs to maintain a high quality of life. The enhanced opportunity for social engagement provided by retirement communities contributes to higher likelihood of enjoyment of life, happiness and social connectedness.

At the same time, they enjoy a safe built residence with access to mental wellbeing professionals such as psychologists, and wellbeing programs featuring meditation and yoga exercises.

Meditation and chair exercises are a very valuable part of the wellness program and when I am listening to the beautiful meditations, a tremendous load is being lifted from my mind and body.

I am feeling so much better in mind and body.

Resident of Sherwin Rise Victoria,
on the Retirement Living Resident Wellbeing Program

> We go to the pictures, we go shopping, we like to go out for coffee and explore different local coffee shops, and we like to eat out.
>
> Once a month we have morning tea, for people to gather and have a chat. We go to bowls twice a week here.
>
> Del, Wellington Manor resident, Queensland

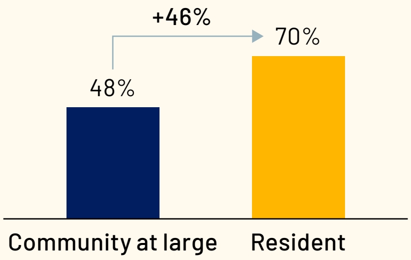
Exhibit 11

Self reported emotions of participants during a week[16]

Percentage of participants that experienced these emotions 'often'

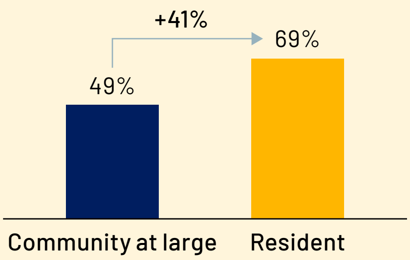
Enjoyment with life

- Life satisfaction and enjoyment **can decrease** due to reduced social life and health factors.
- Retirement communities address this by providing **daily activities, social support and the ability to maintain one's usual routine**.



Happiness

- Retirement communities can allow older people to be **happier in their later years** by:
  - Increasing **safety** and security
  - Access to **mental wellbeing professionals and programs**.



Social connectedness

- One quarter of adults aged 65 and older are considered socially isolated, which **can lead to a decline in mental wellbeing**.
- Retirement communities can enhance **engagement with peers, create a sense of community** and build social bonds.

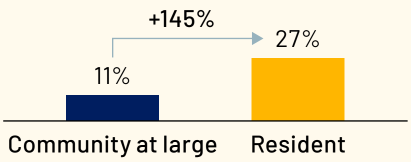


Chart for social connectedness references the percentage of respondents that were very satisfied by the number of friends they had nearby.

Section 03

Retirement communities provide societal, economic and environmental benefits

Image by RDNE on Pexels

Better communities

Better health | Economic incentives | Environmental benefits | More homes | Societal benefits

Retirement communities can provide societal, economic and environmental benefits by increasing access to appropriate dwellings for older Australians.

When older Australians are able to rightsize, they not only improve their quality of life but also contribute to societal, economic and environmental benefits for Australia.

Societal benefits include the supply of affordable housing options for older Australians – on average 48 per cent cheaper than the median house price in the same postcode - while releasing stock of larger dwellings into the market.

This allows younger Australians to realise their dream of home ownership in a market currently under duress.

Economic benefits build on the aforementioned housing benefits and also include impacts on health and aged care expenditure.

Finally, by enabling a more efficient use of space, **retirement communities can reduce the energy consumption of households**.

Exhibit 12

Benefits of retirement communities[17]

Housing affordability

Better health | Economic incentives | Environmental benefits | More homes | Societal benefits

Retirement living is designed to provide an affordable rightsizing option, with entry prices 48 per cent lower on average than median house prices.

Exhibit 13

Affordability of retirement community entry prices by jurisdiction[18]

Australia-wide

- **On average, units are 48 per cent more affordable than the median house price in the same locations.**
- Average 2-bedroom unit price was **$516,000**.

Western Australia

Average 2-bedroom unit entry price in **metropolitan Perth is 46 per cent lower** than the median house price in the same postcode.

Units across the rest of **Western Australia are 37 per cent more affordable.**

Queensland

Average 2-bedroom unit entry price in **metropolitan Brisbane is 45 per cent lower** than the median house price in the same postcode.

Units across the rest of **Queensland are 53 per cent more affordable**.

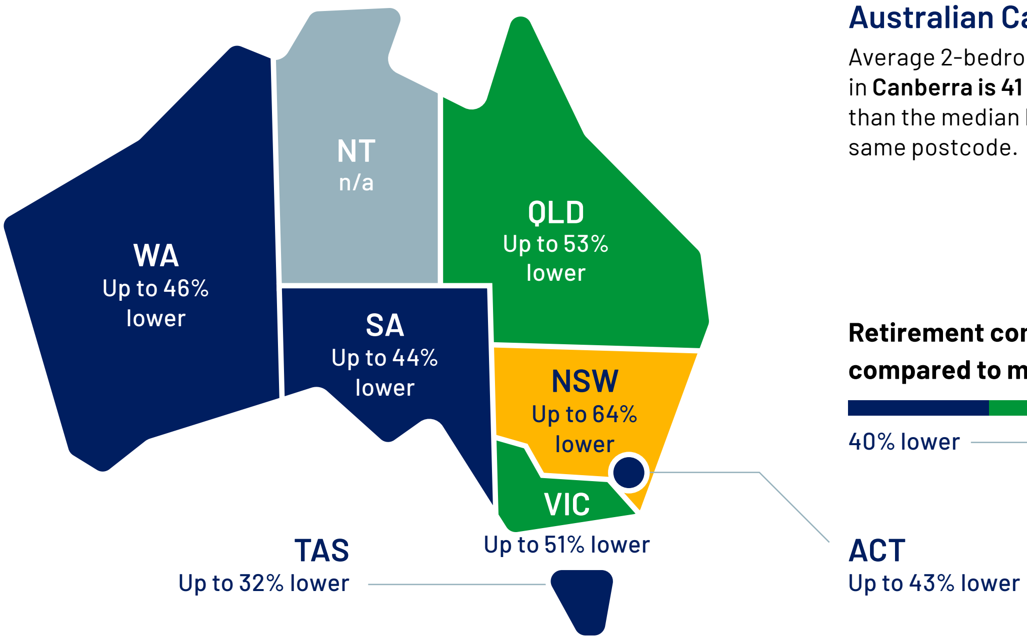
New South Wales

Average 2-bedroom unit entry price in **metropolitan Sydney is 64 per cent lower** than the median house price in the same postcode.

Units across the rest of **New South Wales are 41 per cent more affordable**.

Australian Capital Territory

Average 2-bedroom unit entry price in **Canberra is 41 per cent lower** than the median house price in the same postcode.



Retirement community entry price compared to median house price

40% lower → 90% lower

South Australia

Average 2-bedroom unit entry price in **metropolitan Adelaide is 44 per cent lower** than the median house price in the same postcode.

Units across the rest of **South Australia are 36 per cent more affordable**.

Victoria

Average 2-bedroom unit entry price in **metropolitan Melbourne is 51 per cent lower** than the median house price in the same postcode.

Units across the rest of **Victoria are 41 per cent more affordable**.

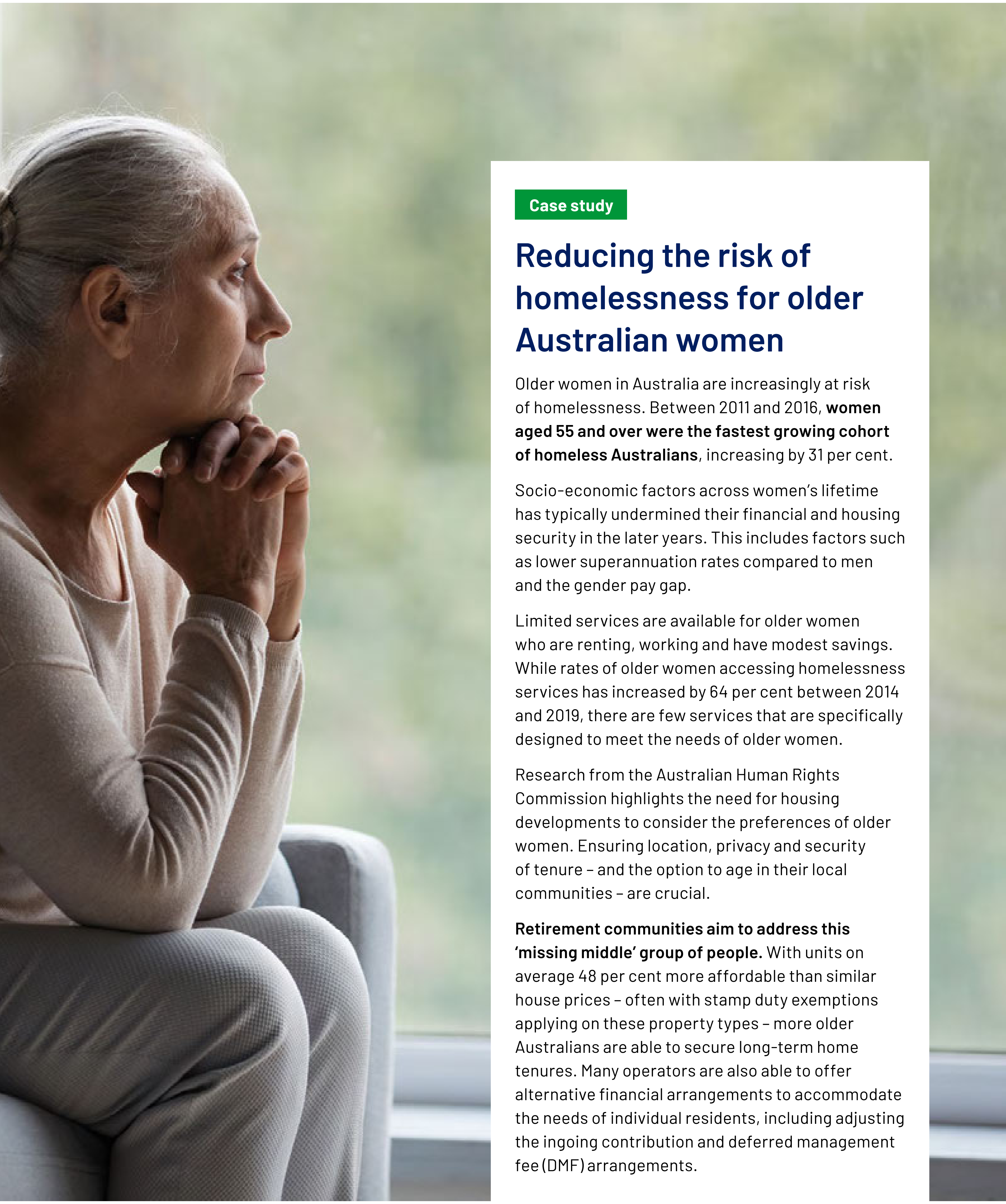
Tasmania

Average 2-bedroom unit entry fee in **Tasmania is 32 per cent lower** than the median house price in the same postcode.

I was extremely grateful that there was an offer that I could make work financially.

It was an opportunity to have somewhere permanent to live that was secure.

Lynette, Bongaree Retirement Community resident, Queensland



Case study

Reducing the risk of homelessness for older Australian women

Older women in Australia are increasingly at risk of homelessness. Between 2011 and 2016, **women aged 55 and over were the fastest growing cohort of homeless Australians**, increasing by 31 per cent.

Socio-economic factors across women's lifetime has typically undermined their financial and housing security in the later years. This includes factors such as lower superannuation rates compared to men and the gender pay gap.

Limited services are available for older women who are renting, working and have modest savings. While rates of older women accessing homelessness services has increased by 64 per cent between 2014 and 2019, there are few services that are specifically designed to meet the needs of older women.

Research from the Australian Human Rights Commission highlights the need for housing developments to consider the preferences of older women. Ensuring location, privacy and security of tenure – and the option to age in their local communities – are crucial.

Retirement communities aim to address this 'missing middle' group of people. With units on average 48 per cent more affordable than similar house prices – often with stamp duty exemptions applying on these property types – more older Australians are able to secure long-term home tenures. Many operators are also able to offer alternative financial arrangements to accommodate the needs of individual residents, including adjusting the ingoing contribution and deferred management fee (DMF) arrangements.

Housing supply

Better health | Economic incentives | Environmental benefits | More homes | Societal benefits

Current development plans for retirement communities should help lower pressure on Australia's growing housing shortage by almost 20 per cent in the next 8 years.

Australia is facing a housing crisis.

The National Housing Finance and Investment Corporation finds that from 2023 to 2030, there is expected to be a gap of more than 100,000 between new supply and new demand for dwellings across the nation. This shortfall will worsen the existing housing shortage in Australia.

The planned development of 18,000 retirement dwellings can **reduce this gap by approximately 18 per cent to 2030**. With almost 90 per cent of people over the age of 75 living in larger dwellings with one or more spare bedrooms, there is an opportunity to release this housing stock back into the market. This should alleviate the growing pressure in the housing market **with potential to improve housing affordability in Australia**.

Maintaining market penetration of 12.6 per cent requires building an additional 49,000 units than currently planned - this could see a **reduction in housing shortage by 67 per cent**.

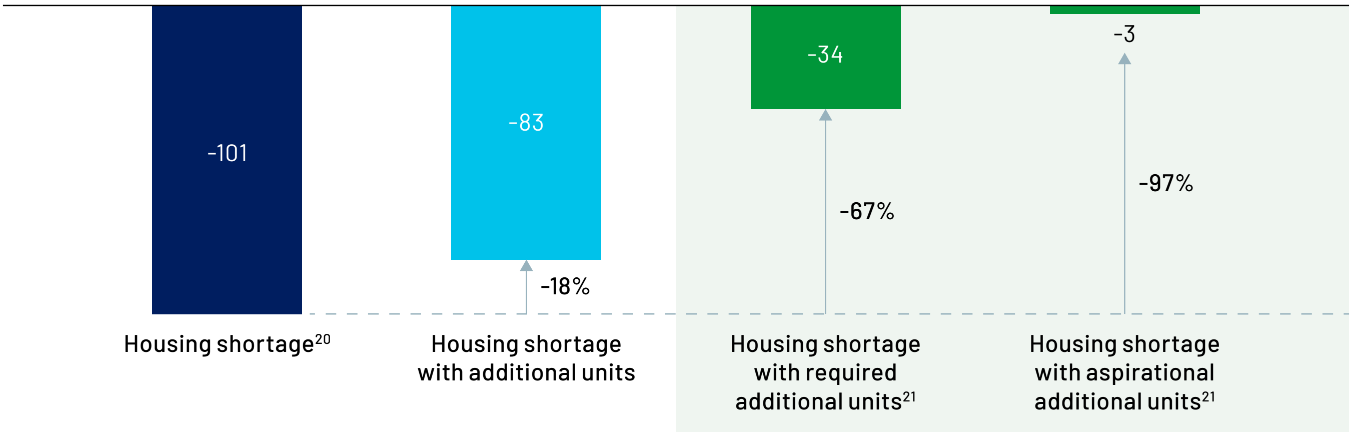
The Newstead Residences in Brisbane

Lifting this rate to 14 per cent and matching New Zealand's market share requires building upwards of 80,000 additional dwellings. This could see a total reduction in housing shortage of 97 per cent.

Exhibit 14

Australia's housing supply balance between 2023 and 2030[19]

'000, net and annual housing supply balance of all housing from 2023-2030



Care efficiencies

Better health | Economic incentives | Environmental benefits | More homes | Societal benefits

Changes in patterns of hospitalisations, primary care access and Home Care delivery can deliver economic savings.

People living in retirement communities can experience a reduction in patterns of hospitalisations, have the potential to reduced need for GP visits, and can stay healthy living independently. These outcomes have the potential to deliver economic savings to state, territory and commonwealth government budgets. Each occasion of service avoided releases capacity and reduces pressure across the health system.

Additionally, there are known risks associated with hospitalisations which are more pronounced for older people, including but not limited to infection, deep vein thrombosis and reduced mobility. Therefore, there are likely to be additional benefits beyond the direct saving of the avoided hospitalisation itself.

Previous data published by the Australian Institute of Health and Welfare also indicated that **people entering permanent residential aged care from retirement communities tended to do so later than those in regular rentals or owned homes.**[22]

Given the difference in cost of providing residential aged care compared to Home Care packages, there are economic benefits associated with any delay or avoidance of residential aged care. **Every year of avoided or delayed admission saves the government an average of $40,000 per person**.

There are also efficiency savings associated with the provision of Home Care packages for people living in retirement communities. Care worker travel time takes time of carers away from care provision, and mileage costs can be passed on to package recipients. **The concentration of Home Care package recipients in retirement communities can save travel time for care workers, which would improve efficiency of care provision at a services level**. At an individual level it could enable care recipients to utilise more of their package allocation on care.

There are opportunities to modify the Home Care package funding for people living in retirement communities to account for this efficiency, such as 'block funding' and 'shared care' models.

Potential economic benefits of retirement communities

- Increased hospital and GP capacity
- Increased residential aged care capacity
- Improved efficiency of Home Care

Budget relief

Better health | Economic incentives | Environmental benefits | More homes | Societal benefits

There is potential for retirement living to reduce government spending on aged care by many hundreds of millions every year.

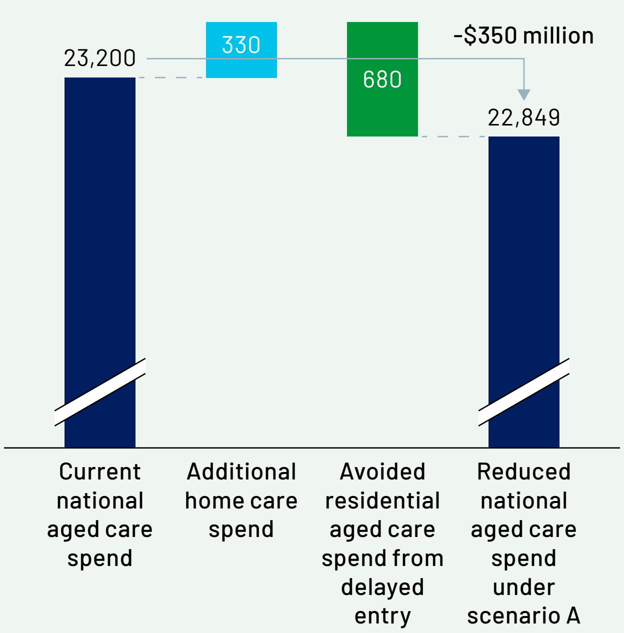
Scenario A: $350m savings

A **1-year delay** to aged care

- Volume of retirement dwellings remains stable in 2023
- Retirement communities delay residents' entry into aged care by one year

The national expenditure on aged care reduces by $350 million annually by delaying entry of ~8,500 people into residential aged care by 1 year.

$ millions



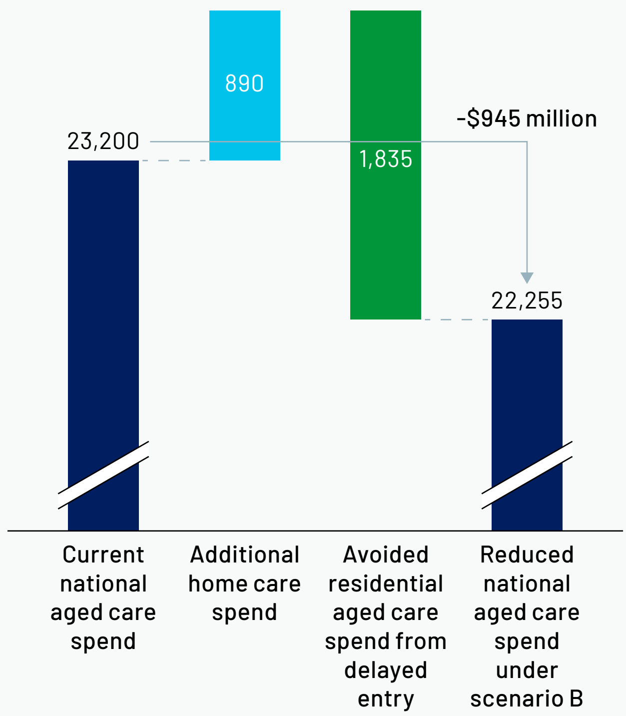
Scenario B: $945m savings

A **2-year delay** to aged care

- Population of older Australians increases
- Volume of retirement community units increases to maintain consistent market penetration in 2030
- Retirement communities delay residents' entry into aged care by two years

The national expenditure on aged care reduces by $945 million annually by delaying entry of ~11,600 people into residential aged care by 2 years.

$ millions



Better health | Economic incentives | Environmental benefits | More homes | Societal benefits

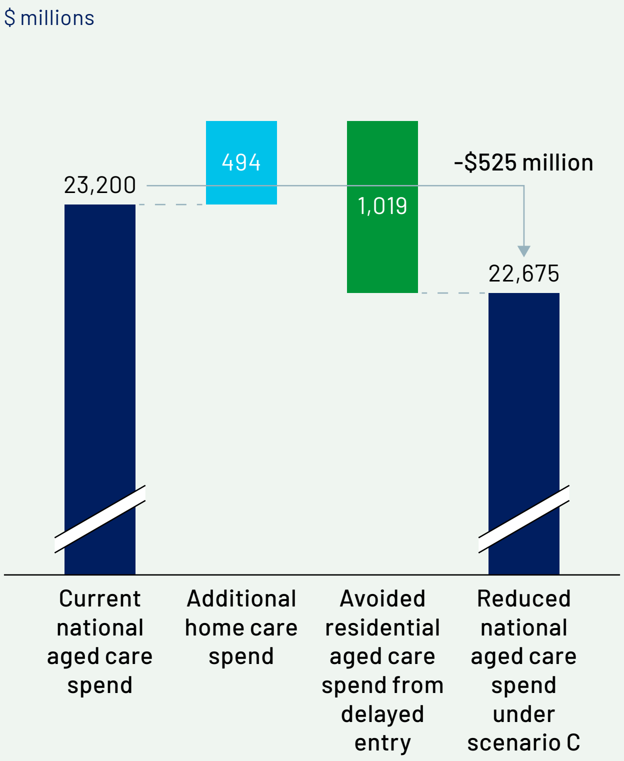
By increasing market penetration, retirement communities could reduce government spending by more than $1 billion annually by 2030.

Scenario C: $525m savings

A **1-year delay** to aged care with increased market penetration

- Population of older Australians increases by 2030
- Volume of retirement community units increases to reach 14 per cent market share by 2030
- Retirement communities delay residents' entry into aged care by one year

The national expenditure on aged care reduces by $525 million annually by delaying entry of ~12,800 people into residential aged care by 1 year.

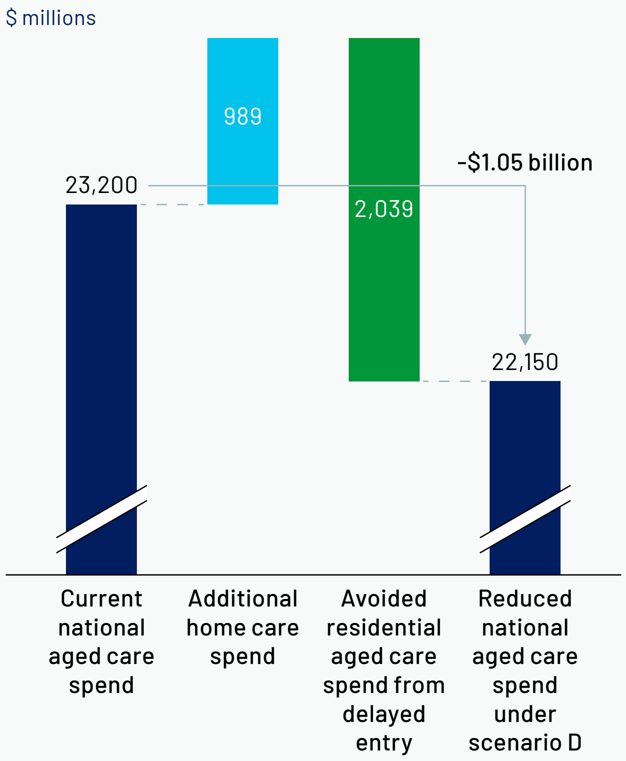


Scenario D: $1.05b savings

A **2-year delay** to aged care with increased market penetration

- Population of older Australians increases by 2030
- Volume of retirement community units increases to reach 14 per cent market share by 2030
- Retirement communities delay residents' entry into aged care by two years

The national expenditure on aged care reduces by $1.05 billion annually by delaying entry of ~12,800 people into residential aged care by 2 years.



Energy efficiencies

Better health | Economic incentives | **Environmental benefits** | More homes | **Societal benefits**

Rightsizing can reduce older Australians' household energy consumption by 35 per cent, with potential reductions to their electricity bills.

Rightsizing can allow a more efficient use of energy by households, therefore reducing the overall annual energy consumption for older Australians by around 35 per cent.

Improved energy efficiency can work to relieve cost of living pressures for older Australians. New builds are developed to be increasingly energy efficient. This, coupled with a more efficient consumption of energy, could provide financial savings for households by increasing energy affordability.

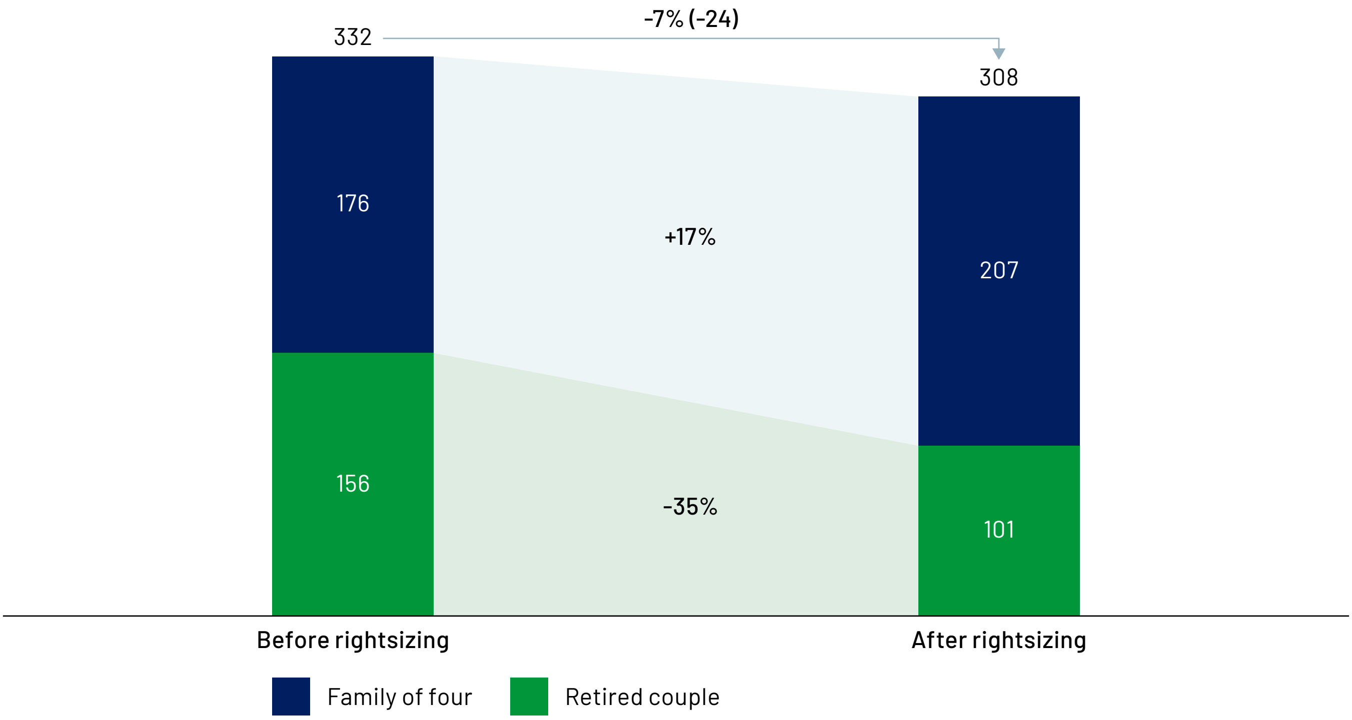
Energy usage is driven by the size of the dwelling and number of occupants residing in it. Larger spaces require more operational energy driven by temperature regulation, such as cooling and heating. A larger number of occupants also drive energy usage of a dwelling, mainly due to more frequent usage of temperature regulation, appliances and electronic devices.

When rightsizing occurs, a retired couple is assumed to move into a retirement dwelling, allowing a family of four to move into the vacant dwelling. This leads to a 17 per cent increase in energy consumption of the family. Despite this, rightsizing results in a net reduction of 7 per cent as illustrated in Exhibit 15.

Exhibit 15

Energy consumption of example households before and after rightsizing[23]

Estimated annual energy consumption per household (GJ)



Situation before rightsizing

Retired couple
in a large house with 4 bedrooms

Approximate energy usage of 156 GJ per year

Family of four
in a house with 2 bedrooms

Approximate energy usage of 176 GJ per year

Situation after rightsizing

Retired couple
in a 1 bedroom independent living unit

Reduced (-35 per cent) energy usage to around 101 GJ per year

Family of four
in a house with 4 bedrooms

Slightly higher (+17 per cent) total energy usage of 204 GJ per year

The Verge at
Burleigh Gold Coast

Case study

The Verge goes green

In the face of global climate change, environmentally-aware design has become vital across retirement homes and communities.

Driven by the escalating demands of older Australians for comfortable, modern, and community-integrated homes that prioritise sustainability, the ambition for eco-conscious living in natural settings has evolved from exception to norm, consequently reshaping retirement home design standards.

At the time of construction, 4 Star Green Star represented best practice in environmentally sustainable building practices, which is not only good for the environment but good for residents as it helps keep energy and water costs down.

Dr Brett Robinson, RetireAustralia CEO

The Verge at Burleigh Gold Coast – a retirement community in Queensland – has made an investment into sustainable design, and been awarded a 4 Star Green Star rating.

Representing best practice in sustainable design, the Verge has implemented various green features including:

01 Energy efficiency

Grey laminated glazing to provide low solar heat gain through window surfaces, construction of facades in alignment to solar pathway, ceiling fans to apartment bedrooms, living rooms and external balconies, low intensity LED lights, motion detection and lighting control.

02 Water management

Reducing potable water consumption through water efficient design initiatives, namely the installation of high efficient Water Efficiency Labelling and Standards (WELS) rated fixtures and fittings, water efficient appliances and an air cooled Variable Refrigerant plant.

Section 04

There is an opportunity to deliver greater value by increasing access to retirement communities to more Australians

Rightsizing

Access to supply | Financially incentivised | Removing barriers

Increasing the number of older people rightsizing can deliver greater benefits, but needs to be enabled by three key factors.

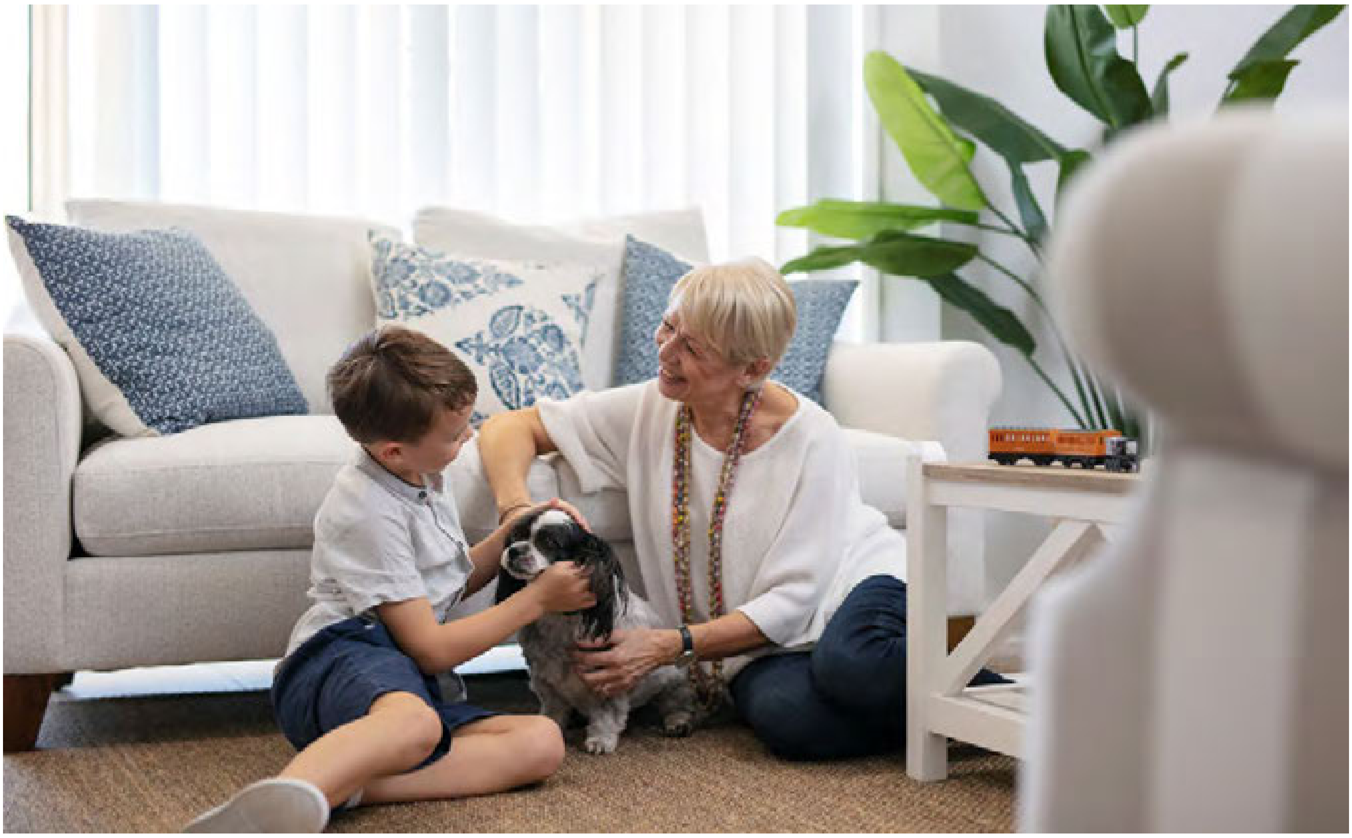
According to the 2021 Census, more than 249,000 people lived in retirement communities across Australia. This represents approximately 12.6 per cent of the country's over-75 population.

Research shows that 26 per cent of people over the age of 55 had rightsized, citing lifestyle reasons (27 per cent), financial reasons (27 per cent) and high property maintenance (18 per cent) as key reasons for moving.

An additional 29 per cent of people over the age of 55 are considering rightsizing. There is an opportunity to achieve greater scale of individual, societal, economic and environmental benefits of retirement communities by increasing the number of older Australians taking up this housing type as a rightsizing option.

However, this needs to be enabled by:

- People having **access to supply** of retirement dwellings in the right areas
- People being **financially incentivised** to make the move
- People being **emotionally motivated** to make the move.

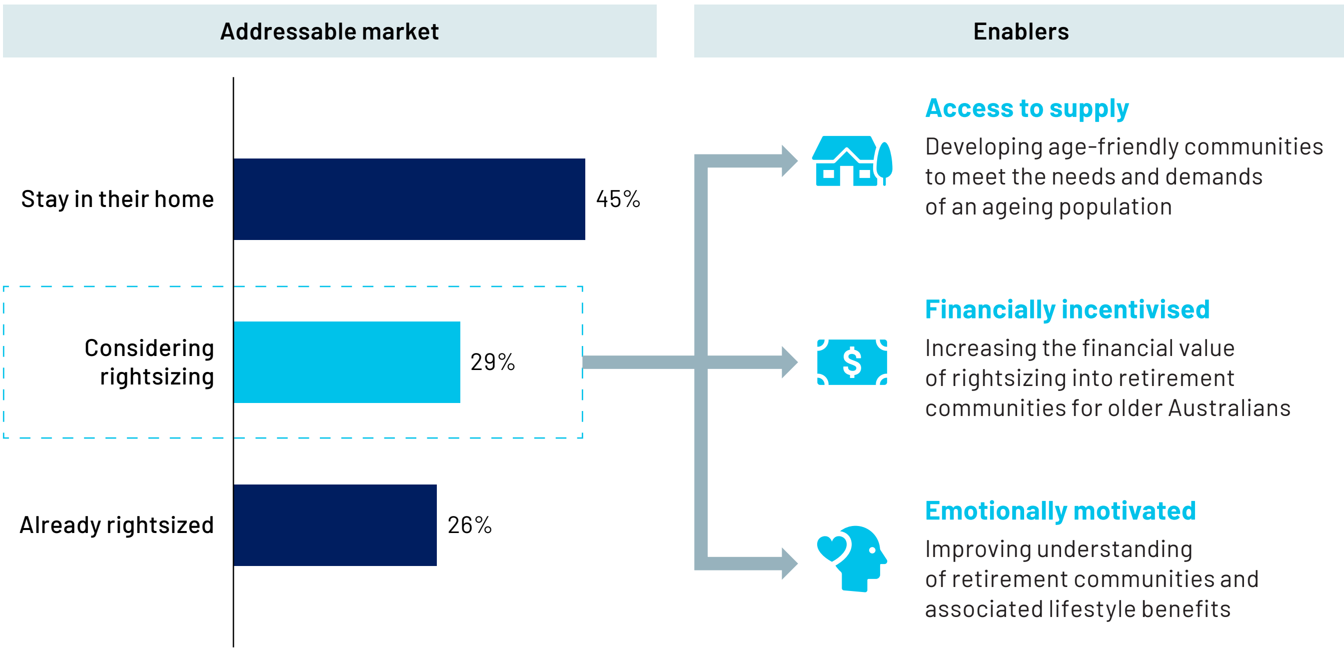


Europa on Alma in Melbourne

Exhibit 16

Addressable market and enablers to increase entry into retirement communities[24]

Percentage of people over 55 by living option



Key reasons are not mutually exclusive, more than one reason to rightsize might be considered.

Tackling housing crisis

Access to supply | Financially incentivised | Removing barriers

Almost 40 per cent of people considering rightsizing would be prompted to move if suitable housing options were available.

Australia's retirement living industry has the opportunity to provide more housing supply for this cohort. Maintaining existing levels of market penetration will require an extra 49,000 retirement units to be built by 2030.

Development forecast

Industry forecasts predict the addition of approximately 18,000 new units from 2023 to 2030. However, **this growth falls short of the rise of older Australians**. Underdevelopment could drop market penetration to 10 per cent.

Maintaining market penetration

At present, market penetration stands at approximately 12.6 per cent, reflecting the proportion of people over 75 who live in a retirement community. Maintaining this rate requires more than doubling the number of developments. 67,000 new units are needed by 2030 – 49,000 more than currently planned. **This would reduce the housing supply gap by 67 per cent.**

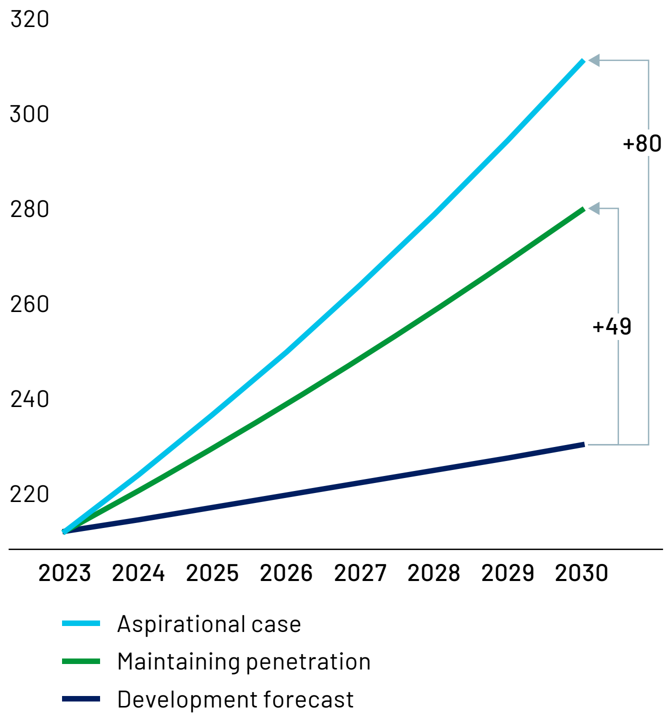
Aspirational case

To ambitiously boost the sector and increase market penetration to 14 per cent, nearly 99,000 units will be required – 80,000 more than currently planned. This would bring Australia to the same level as New Zealand. **More developments can reduce the stress on the housing market and provide more options for older Australians to rightsize.** This could reduce the housing supply gap by 97 per cent.

Exhibit 17

Projected retirement community unit developments by scenario[25]

'000, number of units



Access to supply | Financially incentivised | Removing barriers

Streamlining planning processes and establishing minimum land allocations can enable increased supply of retirement community units.

Opportunities

Streamline processes to increase access to planning and building permits for retirement communities.

Governments could streamline processes for planning and building permits for retirement communities.

- Local councils are responsible for administering and enforcing town planning legislation, including zoning and approving applications for development of properties.
- Current permit processes take several months, delaying developments. In some cases, it can take years.
- Local councils could support faster development of retirement communities by offering an accelerated application process.
- Digitalisation and reducing red tape can encourage faster development approvals in the areas that older people want to live.

Example

Streamlining of planning permit processes
Victoria

The Victorian Government introduced VicSmart to streamline the planning permit process for specific applications. The initiative offers an accelerated permit process and removes the requirement for public advertising. The application process is digitalised and streamlined, by predetermining requirements, application consideration and decision-making processed.

This initiative aims to reduce the planning permit process to weeks, compared to multiple months.

Establish minimum land allocations for retirement communities in all new greenfield developments.

Governments should enable greater access to land for retirement communities through minimum land allocations in under-supplied areas.

- Age-specific housing developments are disadvantaged relative to commercial development of housing within town planning.[26]
- The increasing preference for ageing in place, limitations on development of senior suitable housing in their local areas can disincentivise rightsizing.
- Placing additional weighting on retirement communities to access land allocations can ensure suitable options for the ageing population, as well as address housing supply issues.

Example

Housing State Environmental Planning Policy (SEPP)
New South Wales

In 2021, the NSW Housing SEPP commenced, and established key changes to planning rules for seniors housing. These changes expanded the areas where seniors housing is permitted and provided floor space incentives to encourage seniors housing developments in higher density areas.

These changes work to increase the land and zones available for seniors housing, including retirement communities, and also works to encourage development in central areas.

Disincentives

Access to supply | **Financially incentivised** | Removing barriers

High costs and government policies are disincentivising older Australians from rightsizing.

Many older Australians consider rightsizing as they get older in order to be more financially stable in their retirement, and improve their quality of life relative to their needs and ability.

However, multiple disincentives and barriers can decrease the financial viability of rightsizing for older Australians.

Older Australians receiving pensions stand to lose some or all of their Age Pension payments following the sale of their home due to impacts on their asset test. At the same time, due to home ownership classifications, **currently most retirement community residents are often deemed ineligible for both Commonwealth Rental Assistance and the Home Access Equity Scheme**.

Some older Australians also struggle to find suitable housing in their preferred location, and rising house prices can decrease the financial benefit of purchasing a smaller house. Necessary modifications to support ageing residents can also add additional expenses.

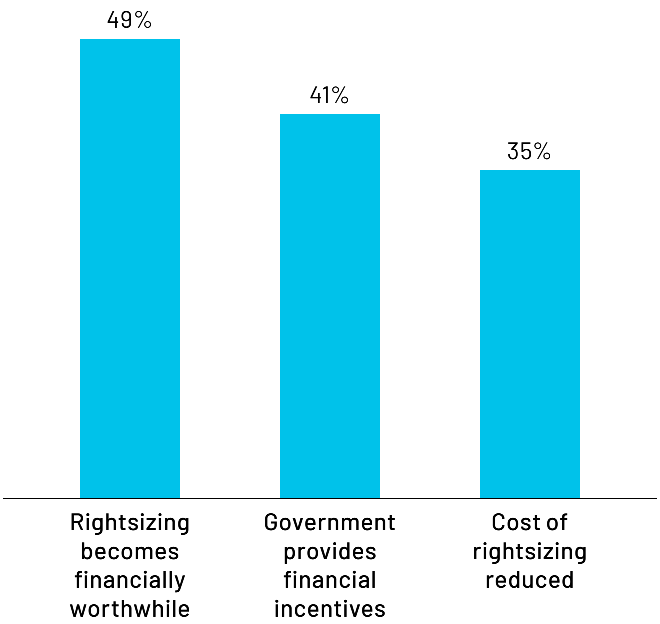
Providing greater financial incentives can encourage homeowners to move when they start considering it. This encouragement can lead to more people rightsizing, including those choosing to take up the option of retirement communities.

Exhibit 18

Financial factors that could encourage moving, by those considering rightsizing[27]

Percentage of survey respondents that agreed with the statement

- Homeowners were much more likely to move if they thought that rightsizing would be financially worthwhile.
- Government incentives were more likely to prompt private tenants to move than homeowners.



Access to supply | Financially incentivised | Removing barriers

Increasing retirement community resident eligibility for financial support can encourage older Australians to rightsize.

Opportunities

Make retirement community residents eligible for government financial schemes.

Increase eligibility of retirement community residents for the Home Equity Access Scheme (HEAS) and the Commonwealth Rental Assistance (CRA).

- Under current legislation, the majority of retirement community residents are ineligible for both schemes. The Department of Social Services does not recognise this tenure as homeownership, disqualifying residents from the HEAS.
- At the same time, residents are typically paying an entry contribution that exceeds the extra allowable amount (currently $242,000), making them ineligibe for CRA.
- Government classifications should be changed to enable retirement community residents to access HEAS and CRA.
- Making sure these residents do not fall through the cracks can better incentivise them to rightsize while removing disincentives so people can live in care-focused homes.[28]

Current policy

Home Equity Access Scheme Australia

The Home Equity Access Scheme allows pensioners with property ownership to receive a voluntary, non-taxable loan from the government to supplement their retirement income. The scheme allows homeowners to use the equity in their home as security for a loan that will allow them to boost their retirement income.

Commonwealth Rent Assistance Australia

Commonwealth Rent Assistance is a non-taxable income payment for eligible people who pay "rent".

Exempt a portion of home sale proceeds of rightsizer from Age Pension asset test.

Exempt a portion of home sale proceeds from the Age Pension means testing for older Australians moving into retirement communities to encourage more frequent rightsizing.

- In 2017, 33 per cent of Australians who were considering rightsizing would have been more encouraged to do so if the extra money from the house sale would not impact their pension.[29]
- The home sale proceeds should be exempted, allowing more older Australians to retain their pension while moving into a retirement community. This provides more traditional homes into the housing market and delivers a range of additional cost benefits to governments.
- Exempting the proceeds can reduce the financial disincentive for those considering rightsizing.

Current policy

Incentivising Pensioners to Downsize Act 2023
Australia

Under the *Social Services and Other Legislation Amendment (Incentivising Pensioners to Downsize) Act 2022*, principal home sale proceeds that will be used to purchase the new home are exempt from the pension asset test for up to 24 months. This enables pensioners looking to purchase a new home to only exempt that amount from the sale proceeds for their income support payments. Unfortunately, this only exempts pensioners, which means it does not apply to many people and nor does it apply for very long.

Deemed income on the exempt proceeds is calculated using the lower deeming rate – currently 0.25 per cent.

Rightsizing education

Access to supply | Financially incentivised | Removing barriers

Older Australians show strong preferences for ageing in place, which can lead fewer people to rightsize.

Older Australians are demonstrating strong desires to age in place. This can mean wanting to stay in the family home, wanting to stay in their local community or to keep familiar surroundings.

This desire is to maintain their existing lifestyle, and the fear of moving somewhere new. Over a third of people over the age of 55 indicated that being happy with their current lifestyle prevented them from rightsizing.[30] This can come from the perception that rightsizing will mean a change in life and daily habits, bring a risk of losing connections with friends and family, and their sense of control.

There is an opportunity to better inform older Australians of their rightsizing options. Improved information on rightsizing can highlight the benefits, and ensure older Australians feel secure and safe when choosing their next permanent home. This can work to reduce some of the concerns with rightsizing, while also allowing older Australians the opportunity to age in place.

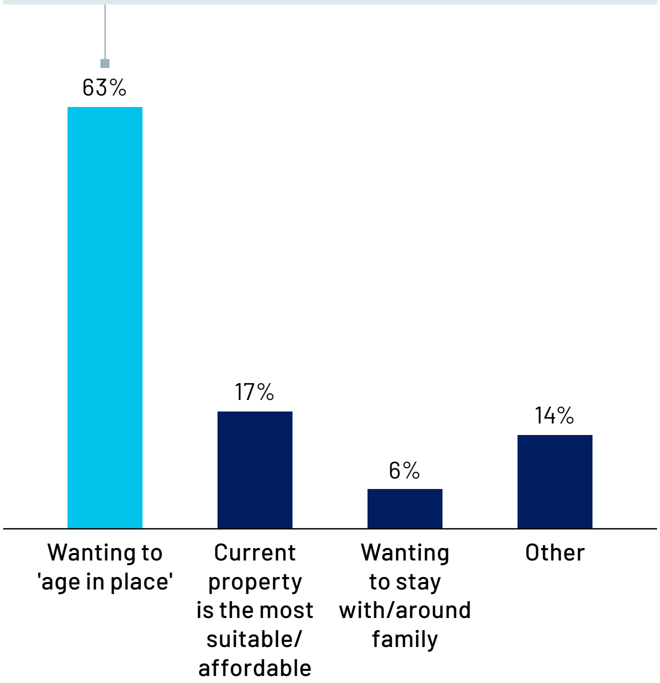
Exhibit 19

Reasons for older Australians that do not want to sell their family home[31]

Per cent of Productivity Commission survey respondents that agreed with this statement

'Ageing in place' refers to those who:

- want to stay in their home as long as possible
- have an emotional attachment to the property
- like or are familiar with their property's location



You haven't got those pressures that you may have had living in your individual home and I would say to young Dennis – do it as quick as you can because the neighbourhood was changing, you didn't know the people, they weren't waving; like they do here. It is a lifestyle, without a doubt.

Dennis Arnel, Aveo Domainé resident, Victoria

Residents, Dennis and Heather Arnel

Policy opportunities

Access to supply | Financially incentivised | Removing barriers

Promoting development, removing financial barriers, and increasing awareness can increase the number of people living in retirement communities.

Access to supply	**Financially incentivised**	**Better informed**
Developing age-friendly communities to meet the needs and demands of an ageing population	**Increasing the financial value of rightsizing into retirement communities for older Australians**	**Improving understanding of retirement communities and associated lifestyle benefits**
Policy opportunities		
01 **Streamline permit processes to increase access to planning and building permits for age-friendly retirement communities.** Greater support for development of retirement communities is needed to ensure supply of age-friendly housing for older Australians. Accelerated application processes can accelerate development at a time when the country needs more supply. **02** **Establish minimum land allocations for the development of retirement communities in under-supplied areas.** Minimum allocations can ensure suitable housing options are prioritised in development forecasts, and address housing supply issues.	**01** **Exempt a portion of the home sale proceeds of rightsizers from the Age Pension Asset test.** Risk of losing out on their pension can disincentivise older Australians from rightsizing. Exempting a portion of the proceeds can provide a longer-term solution for pensioners. **02** **Allow retirement community residents to access government financial schemes.** Current government classifications for home ownership excludes nearly 60 per cent of retirement community residents. Expanding these classifications and granting access can encourage greater rightsizing and ensure that these residents do not fall through the cracks.	**01** **Develop a central housing information service to better provide information on rightsizing options for older Australians.** Supporting older Australians to be better informed of their options while ageing can reduce uncertainties and encourage rightsizing, leading to greater health, societal and economic efficiencies for governments. **02** **Collaborate with development assessment planners to create information programs to better understand the sector and support the timely assessment of new retirement communities.** Specialised resources for planners at local and state government levels can assist in a better understanding of the sector and ensure the timely assessment of new communities.

Appendices

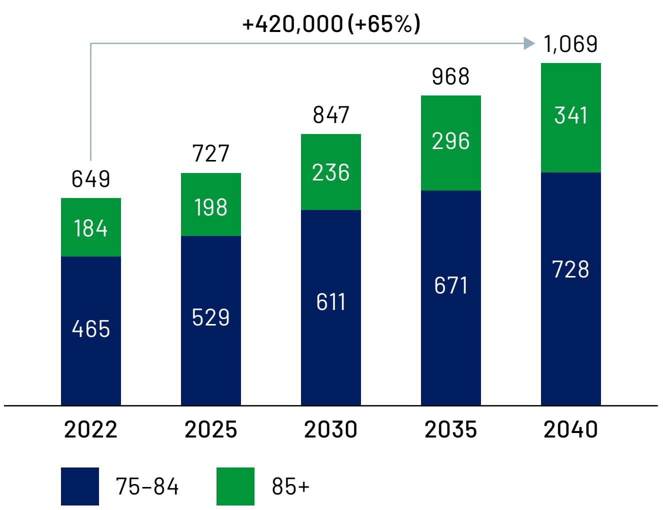
Appendix A
State and Territory population breakdowns

The number of people aged over 75 in New South Wales will grow by 420,000 by 2040.

Exhibit 20

Population over the age of 75 – New South Wales[32]

'000, projected to 2040

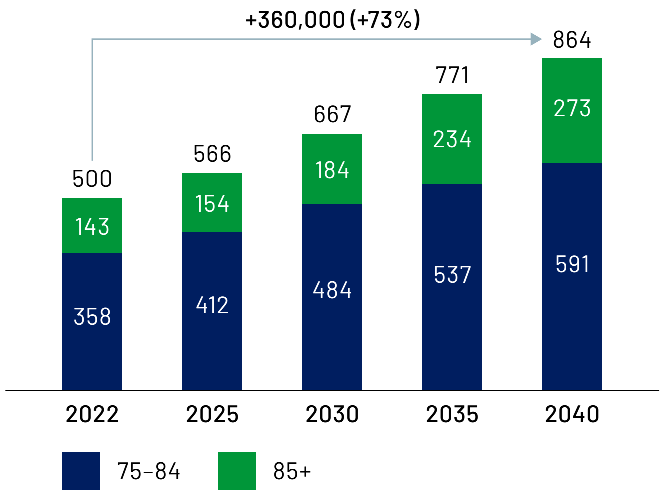


The number of people aged over 75 in Victoria will grow by 360,000 by 2040.

Exhibit 21

Population over the age of 75 – Victoria[33]

'000, projected to 2040

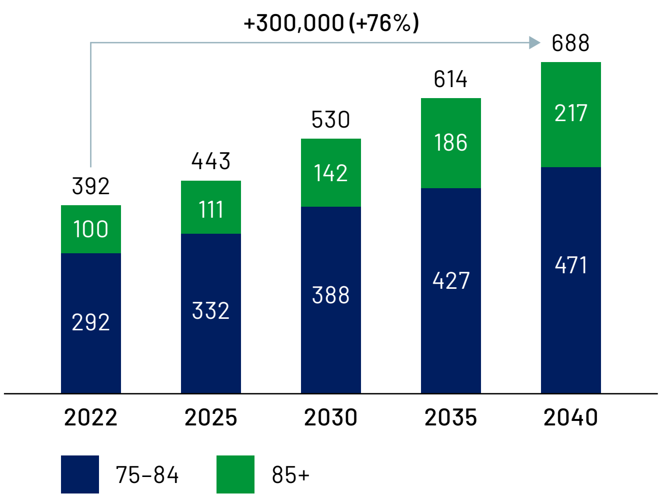


The number of people aged over 75 in Queensland will grow by 300,000 by 2040.

Exhibit 22

Population over the age of 75 – Queensland[34]

'000, projected to 2040

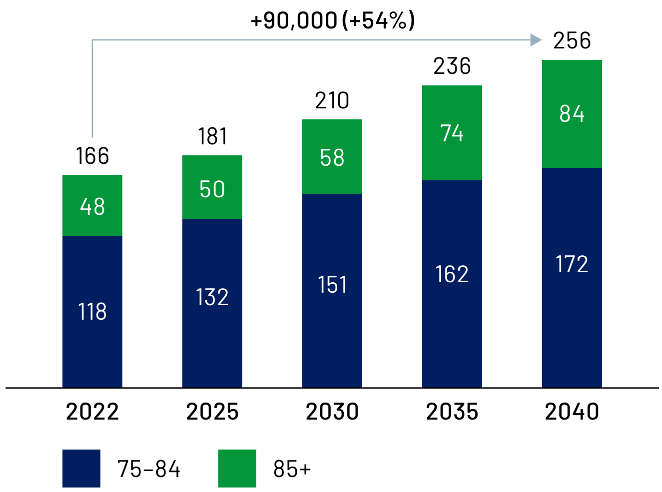


The number of people aged over 75 in South Australia will grow by 90,000 by 2040.

Exhibit 23

Population over the age of 75 – South Australia[35]

'000, projected to 2040

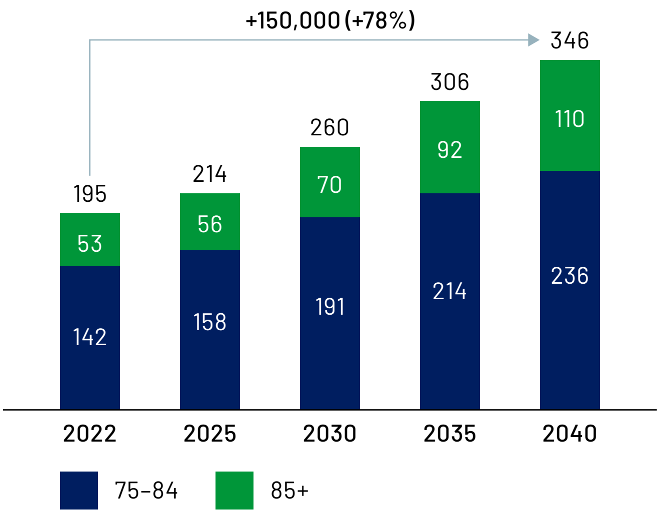


The number of people aged over 75 in Western Australia will grow by 150,000 by 2040.

Exhibit 24

Population over the age of 75 – Western Australia[36]

'000, projected to 2040

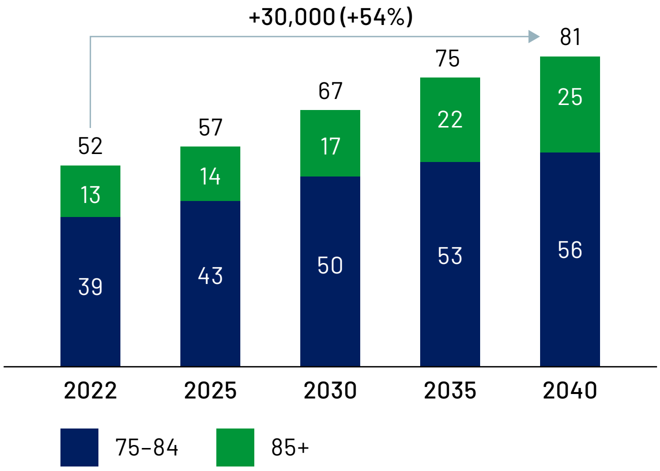


The number of people aged over 75 in Tasmania will grow by 30,000 by 2040.

Exhibit 25

Population over the age of 75 – Tasmania[37]

'000, projected to 2040

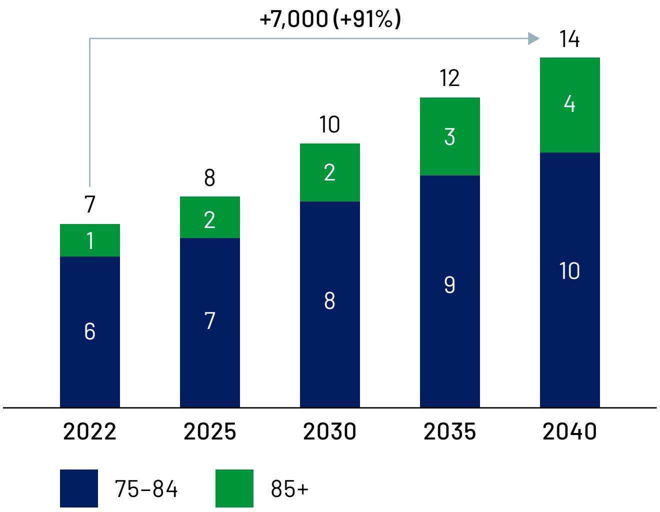


The number of people aged over 75 in Northern Territory will grow by 7,000 by 2040.

Exhibit 26

Population over the age of 75 – Northern Territory[38]

'000, projected to 2040

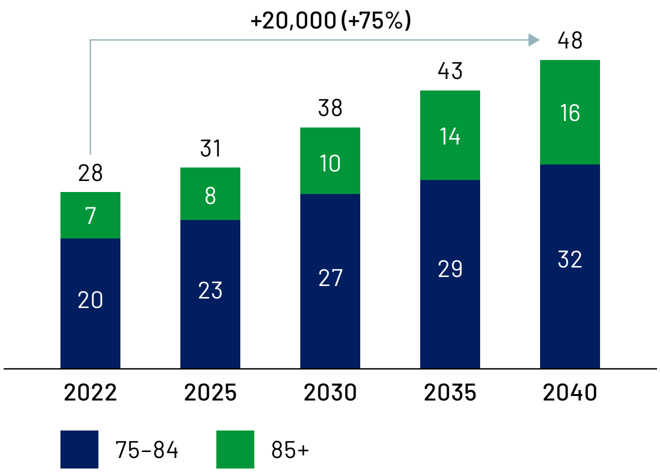


The number of people aged over 75 in the ACT will grow by 20,000 by 2040.

Exhibit 27

Population over the age of 75 – Australian Capital Territory[39]

'000, projected to 2040



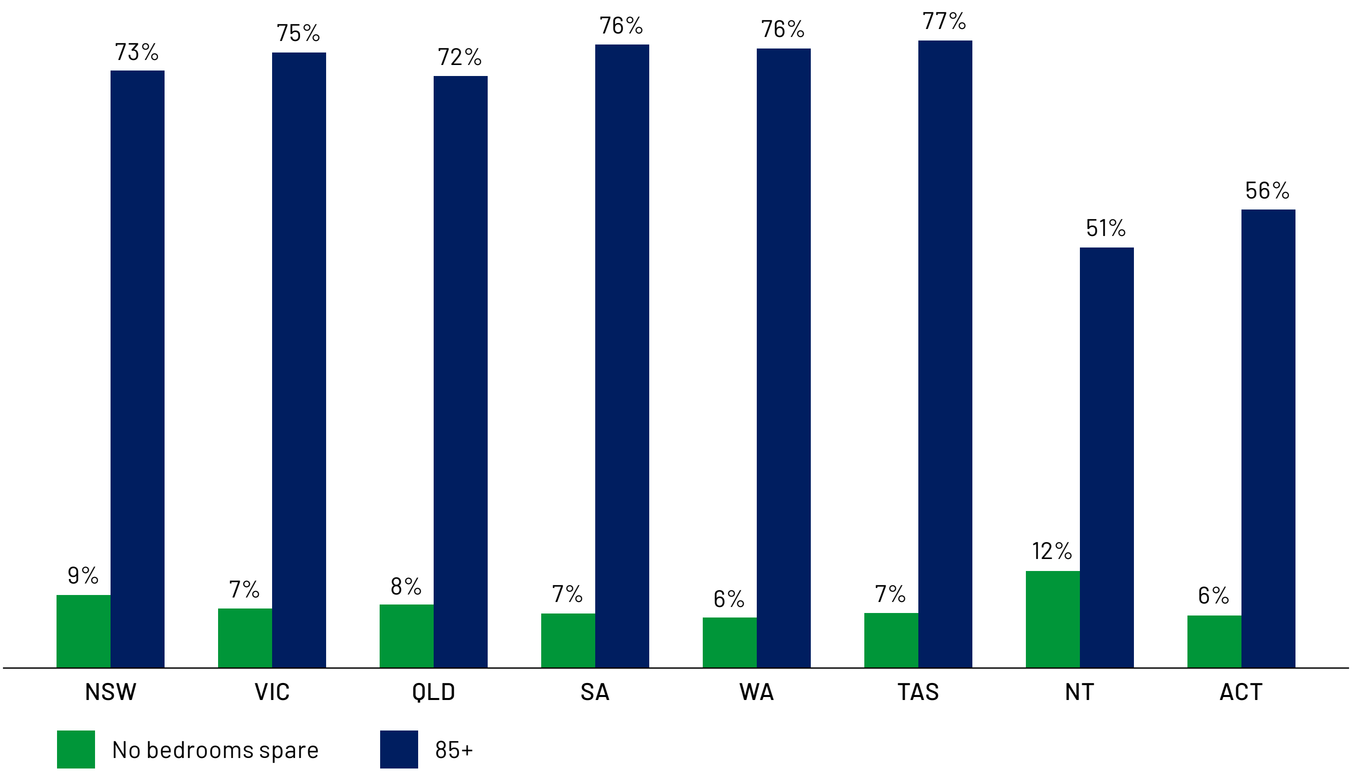
Appendix B
Dwelling suitability by state and territory

Older people across Australia are typically living in oversized dwellings.

Exhibit 28

Dwelling suitability of people aged 75 years and older, by state and territory[40]

Per cent of households



Appendix C
Assumptions and methodology

Method	Assumptions	Methodology	Source
Development forecast			
Required housing to maintain percentage of market penetration	• Initial number of RV units available = 249,000 residents / 1.2 occupancy rate = 207,700 • Rate of unit development is equivalent to rate of increase in the over 75 population (4.02 per cent required annual growth rate)	Initial number of units × required growth rate = 67,493	• IBISWorld (2023) • Property Council (2022) • ABS Population projections (High fertility/mortality)
Required housing to reach aspirational percentage of market penetration	Initial number of RV units available = 249,000 residents / 1.2 occupancy rate = 207,700 Rate of development is established to achieve a 14 per cent market penetration (5.6 per cent annual growth rate)	Initial number of units × required growth rate = 98,614	• IBISWorld (2023) • Property Council (2022)
Lower hospitalisation rates			
Projected non-entry hospitalisation rate	• A linear increase in hospitalisations after entry has been assumed. This is based off the rate of increase prior to entry	N/A	• Bloomfield et al. (2023)
Avoided hos-pitalisations of retirement community residents	• Number of new entrants per annum = 249,242 / 9 tenure years = 27,693	(New entrants / 100 person years) × reduction in hospitalisations (non entry rate – after entry rate after 9 months) + (New entrants / 100 person years) × reduction in hospitalisations (non entry rate – after entry rate after 18 months)	• Bloomfield et al. (2023) • ABS 2021 Census • Property Council (2022)
Environmental benefits			
Reduced annual energy usage per household through better use of space	• A house with 4 bedrooms is equivalent to a 300 (m2) house, an apartment/retirement unit is equivalent to a 100 m2 house • Only 'life cycle operational energy' (LCOPE) is accounted for, to avoid inclusion of energy used when building properties	(Total primary energy × LCOPE percentage) / years E.g. for a couple in a 4 bedroom house: (15,000 * 0.52) / 50 = 156 GJ p.a.	• Stephan et al. (2016) – Figure 5

Method	Assumptions	Methodology	Source
Scenario 1 – Delayed entry of 1 year			
Differential cost of aged care and Home Care packages	• Cost of aged care to government $14.9 billion • Total people in residential aged care packages: 188k • Total cost of Home Care packages per year: $8.3 billion • Total people in Home Care packages: 216k	Total differential cost of delaying entry: Cost of aged care / total people in residential care packages – cost of Home Care / total people in Home Care = $79,000 - $38,400 = $40,800	• Gen Aged Care – total spending on aged care • Gen Aged Care – total people in aged care
Cost benefit of a 1 year delay	• Annual entry into retirement communities: Total people in RVs in 2022 (249,242) / average tenure (9 years) = 27,693 • Proportion that enter aged care = 31 per cent • Total people that enter aged care after RV = 27,693 × 0.31 = 8,585	Net savings = saved aged care costs (79,000 × 8,585) – additional Home Care costs (38,400 × 8,585) = $350,520,341	• ABS Census • Property Council (2022)
Scenario 2 – Delayed entry of 2 years and maintained market share in 2030			
Differential cost of aged care and Home Care packages	• Cost of aged care to government $14.9 billion • Total people in residential aged care packages: 188k • Total cost of Home Care packages per year: $8.3 billion • Total people in Home Care packages: 216k	Total differential cost of delaying entry: Cost of aged care / total people in residential care packages – cost of Home Care / total people in Home Care = $79,000 - $38,400 = $40,800	• Gen Aged Care – total spending on aged care • Gen Aged Care – total people in aged care
Cost benefit of a 2 year delay with 2030 market share	• Annual entry into retirement communities: Total people in RVs in 2030 at 12.6 per cent market penetration (336,110) / average tenure (9 years) = 37,345 • Proportion that enter aged care = 31 per cent • Total people that enter aged care after RV = 37,345 • × 0.31 = 11,577	Net savings = saved aged care costs (79,000 × 11,577) – additional Home Care costs (38,400 × 11,577) × 2 years = 945,372,800	• ABS Census • Property Council (2022)

Endnotes

1 Source: Intergenerational Report (2023); ABS National, state and territory population (2023)
2 Source: ABS Population projections (2018); AIHW (2023)
3 Source: Vilhelmson et al. (2021); Intergenerational Report (2023); ABS Health conditions and risks (2021); Australian Institute of Health and Welfare (2023)
4 Source: ABS Census of Population and Housing 2021, Tablebuilder Pro; NHFIC (2023); ABS Disability Ageing and Carers, Australia: Summary of Findings (2018); University of Sydney (2023)
5 Source: ABS Census of Population and Housing 2021, Tablebuilder Pro; NHFIC (2023); ABS Disability Ageing and Carers, Australia: Summary of Findings (2018); University of Sydney (2023)
6 Source: Royal Commission into Aged Care Quality and Safety (2021); Intergenerational Report (2021); AIHW (2023)
7 The other 18 per cent are a combination of horizontal and vertical layouts.
8 Source: Property Council (2020); Property Council (2022); ABS Census of Population and Housing 2021, Tablebuilder Pro; IBISWorld (2023)
9 Source: Retirement Living – A Wise Move (2020); Department of Health and Aged Care (2022)
10 Source: Mather Institute (2019); IRT Group (2023); Retirement Living – A Wise Move (2020); Property Council Retirement Census (2022) or most recent available data; Anglicare (2023)
11 Participants were asked how often they engage in moderately energetic activities (1 = Hardly ever or never, 2 = One to three times a month, 3 = Once a week, 4 = More than once a week, 5 = Every day).
12 The Mather Institute Study found a sustained difference between residents and non-residents, with a small decrease in levels for both groups over time. Source: Mather Institute (2022); Property Council (2020); Yoshihara et al. (2022);Joe et al. (2023); Department of Health and Aged Care (2023); Miller and Buys (2007)
13 Time periods reference those used within the study. 'Person years' is a measurement of observation time per person. Bloomfield et al. (2023); University of Sydney (2023); Property Council (2020)
14 Estimated avoided hospitalisations compared to non-entry projected hospitalisation rates. See Appendix for further detail.
15 Source: ARCO UK (2019); Luo et al. (2020)
16 Source: ARCO UK (2019); Mental Health Commission (2019); World Health Organisation (2017); Papi and Cheraghi (2021); Kaplan (2023); National Academies of Science, Engineering and Medicine (2020)
17 Source: Mather Institute (2019); IRT Group (2023); Retirement Living – A Wise Move (2020); Anglicare (2023)
18 Prices reflect the average price for a 2-bedroom Independent Living Unit. Source: Property Council (2022); IBISWorld, Retirement Communities in Australia (2023)
19 Additional retirement community units will be built between 2023-2030. We have assumed that these additional units have not been included into these NHFIC projections. Source: NHFIC (2023); Australian Housing and Urban Research Institute (2022); The Grattan Institute (2023)
20 Net balance refers to the housing supply/shortage after the addition of new retirement community units.
21 Refer to potential projections of housing shortage if greater numbers of retirement community units were built. See p.42 of this report for reference.
22 Source: AIHW (2014); Australian Government (2020); AIHW (2023); AIWH (2022)
23 Energy consumption is estimated based on the average energy usage by dwelling size and number of occupants and includes energy from electricity and gas usage. It has been assumed that a 4 bedroom house is equivalent to 300m², a 2 bedroom house is equivalent to 200m² and a 1 bedroom house is equivalent to 100m². Source: Stephan et al. (2016)
24 Key reasons are not mutually exclusive, more than one reason to downsize might be considered. Source: ABS Census of Population and Housing 2021; Tablebuilder Pro; Australian Housing and Urban Research Institute (2020)
25 Source: Australian Housing and Urban Research Institute (2020); IBISWorld (2023)
26 Source: Productivity Commission (2015); NSW Planning (2021); Ethos Urban (2021); Department of Transport and Planning, Victoria (2023)
27 Source: Australian Housing and Urban Research Institute (2020)
28 Source: Property Council (2015); Property Council (2022); National older Australians (2017); Department of Social Services (2022); Department of Social Services (2022); Lifestyle Communities (2023); Victoria State Revenue Office (2023)
29 The survey consisted of 1,524 respondents aged 60 years and over.
30 Survey refers to the Australian Housing Aspirations survey conducted in 2018, reported by AHURI 2020.
31 The survey consisted of 1,524 respondents aged 60 years and over. 'Other' encompasses a number of other factors sch as transaction costs, value of existing home, and the security of tenure in rentals. Source: Productivity Commission (2015); Australian Housing and Urban Research Institute (2020)

32 Totals may not add up due to rounding. Source: ABS National, state and territory population (2023) Table 8; ABS Population projections (2018) Table B1; AIHW (2023)

33 Totals may not add up due to rounding. Source: ABS National, state and territory population (2023) Table 8; ABS Population projections (2018) Table B2; AIHW (2023)

34 Totals may not add up due to rounding. Source: ABS National, state and territory population (2023) Table 8; ABS Population projections (2018) Table B3; AIHW (2023)

35 Totals may not add up due to rounding. Source: ABS National, state and territory population (2023) Table 8; ABS Population projections (2018) Table B4; AIHW (2023)

36 Totals may not add up due to rounding. Source: ABS National, state and territory population (2023) Table 8; ABS Population projections (2018) Table B5; AIHW (2023)

37 Totals may not add up due to rounding. Source: ABS National, state and territory population (2023) Table 8; ABS Population projections (2018) Table B6; AIHW (2023)

38 Totals may not add up due to rounding. Source: ABS National, state and territory population (2023) Table 8; ABS Population projections (2018) Table B7; AIHW (2023)

39 Totals may not add up due to rounding. Source: ABS National, state and territory population (2023) Table 8; ABS Population projections (2018) Table B8; AIHW (2023)

40 Remaining percentages stated they needed one or more bedroom or were not applicable.
Source: ABS Census of Population and Housing 2021, Tablebuilder Pro; NHFIC (2023); ABS Disability Ageing and Carers, Australia: Summary of Findings (2018); University of Sydney (2023)

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propertycouncil.com.au/rlc

Cover sheet: Supporting document #2

PROPERTY COUNCIL of Australia

Retirement Living

Retirement ready

National planning report card

July 2024
Commissioned by the
Retirement Living Council

In partnership with

URBIS

Retirement Living

The Retirement Living Council (RLC) is the national leadership group for the retirement living sector, championing policies that deliver age-friendly homes and better services in retirement communities across Australia. The RLC sits within the Property Council's national advocacy team and is the most powerful voice of the sector, representing for-profit and not-for-profit owners and operators of retirement villages and seniors' living communities.

We're excited and energised by the opportunities for the industry and feel enormous pride for the work we do in creating a better future for Australians young and old.

Find out more

Cover Image:
Bolton Clarke Westmead Development in New South Wales

Contents

Foreword

A combination of social and economic issues mean dedicated retirement communities are more relevant and purposeful than they have ever been.

- Australia's population continues to age
- Australia is navigating a housing supply and affordability crisis
- The cost of healthcare and demand for services is increasing
- The World Health Organisation has declared loneliness as a global public health concern.

It has never been more critical to develop age-appropriate and age-friendly housing that can address these issues in meaningful ways.

As evidenced in the RLC's 2023 report *Better Housing for Better Health*, compared to older Australians not living in a retirement community, residents are 15 per cent more physically active, 41 per cent happier, five times more socially active, twice as likely to catch up with family or friends and have reduced levels of depression and loneliness.

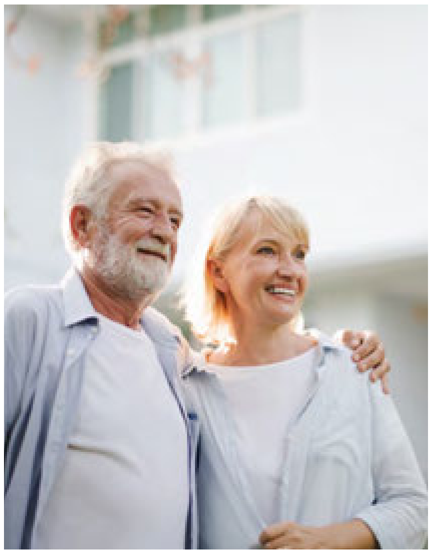
Residents are also 20 per cent less likely to require hospitalisation after only nine months living in a retirement community.

All this reduced interaction with doctors and hospitals releases capacity back into health systems, while delaying entry into aged care facilities leads to $945 million in annual financial efficiencies for the Australian Government.

In short, retirement living is an important part of delivering housing diversity. Planning systems are a significant enabler of development and those that function well make an important contribution.

Australia has approximately 2,500 retirement villages accommodating more than 249,000 residents.

As a health check on how planning is performing, a planning report scorecard has been prepared and released within this assessment. This scorecard was first prepared in 2017 and has now been reissued given recent reforms to planning systems and significant changes to market conditions.



Retirement living is an important part of delivering housing diversity. Planning systems are a significant enabler of development and those that function well make an important contribution.

The retirement sector is legislated at a state and territory level with each jurisdiction administering its own *Retirement Villages Act*, in addition to unique regulations and other instruments.

This environment is highly regulated due to the associated business and financial models, and contracts with residents.

At the time of the release of this report, legislative and regulatory reviews are underway in South Australia, Western Australia, Victoria, New South Wales and Queensland, in addition to the federal review of the *Aged Care Act* and Support-at-Home program.

Further regulatory pressures are added due to the complex overlay of each individual jurisdiction's planning frameworks, schemes and policies. States and territories play a significant strategic policy and regulatory role, and thus have the potential to effectively facilitate or constrain retirement living and age-friendly housing supply.

We are in a race to house the nation. Governments at all levels need to ensure they are 'retirement ready'.

Now that the starter's pistol has been fired on the Prime Minister's target to build 1.2 million new well located homes by 2029, there is no time to waste.

Importantly, independent living units within retirement villages have been included in these targets, so it is incumbent on planners and planning systems to play a supporting role or risk further falling behind.

[redacted]

Tony Randello
President
Retirement Living Council

Daniel Gannon
Executive Director
Retirement Living Council

States and territories play a significant strategic policy and regulatory role, and thus have the potential to effectively facilitate or constrain retirement living and age-friendly housing supply.

We are in a race to house the nation. Governments at all levels need to ensure they are 'retirement ready'.

Executive summary

Planning systems are a crucial enabler of housing in good times let alone when affordability is eroding and supply is under duress.

Given the number of Australians over the age of 75 will increase from 2 million residents in 2023 to 3.7 million by 2040, appropriate levels of age-friendly and age-appropriate housing supply is paramount.[1]

For these reasons – and based on firsthand industry experience – the Retirement Living Council (RLC) has commissioned this assessment to determine how planning systems across Australia are supporting the development of retirement villages and seniors' housing.

In doing so, this report is underpinned by a competitive national scorecard and tracks any movements alongside the 2017 Report Card.[2]

Consistent with the 2017 results, scores, ratings and sentiment are not meeting industry's pro-supply expectations nor meeting the growing demands of an ageing population.

This report card not only critiques planning systems, but also offers practical solutions and policy outcomes for states and territories to provide more homes for more Australians.

There is an important intersection with aged care too. The current residential aged care system is failing to meet current needs, let alone the forecast exponential increase in demand we know is coming.

This means it's no longer possible to talk about the future of aged care without considering the important health and housing value proposition of privately funded retirement communities.

State and territory performance*

RAFFA WA Cirrus Apartments at Blue Creek, Western Australia

Australia's planning landscape is managed by states and territories and consequently each system is unique. Notwithstanding, there are key policies and directions which can be replicated across systems.

The scores outline that no one jurisdiction performs consistently well across all outcomes.

New South Wales leads on the policy direction pillar because it is the only jurisdiction with a state-based planning policy for retirement living. This universal policy creates a good framework to provide consistency and certainty.

However, planning overlays add complexity and exacerbate delays in approvals. These challenges can undermine the benefits of a state policy. In some ways, it is a case of one step forward, two steps back.

South Australia and the Australian Capital Territory both rate highly for legislative frameworks, with singular plans or codes applying across each jurisdiction. Both systems are also highly ranked for consistency and certainty, an obvious benefit of state-led planning systems.

States that are progressive and enable innovation include Tasmania and South Australia.

All states, except South Australia, rank poorly for efficiency. This is irresponsible at a time when all tiers of government have placed housing supply as the top priority.

It is important to note that inconsistencies in attitude and approach at the local government level can result in lower relative rankings, despite the existence of individual progressive councils. This is most apparent in Queensland.

Broadly, the principles that deliver positive outcomes are simplicity, consistent policy frameworks, flexibility and a development mindset focused on housing markets and investment attractiveness.

* Hereafter contracted to "states"

A role for states and territories

Retirement living remains an over-looked housing solution around Australia.

As pressure increases on states to prioritise housing and deliver more supply, retirement living continues to battle at a local level to compete with ordinary residential development.

This is obviously a missed opportunity at a time when Australia's population continues to age and as the nation's housing supply and affordability crisis worsens.

Further, retirement living is not considered in strategic planning documents and is, at best, referenced as a form of housing to support ageing in place.

This is frustrating because retirement living is more than just a house in the suburbs.

Retirement communities allow older Australians an opportunity to maintain their independent lifestyle as they age, while still ensuring they have ready access to support, care and community.

By reducing barriers to physical activity and providing access to fitness and recreational facilities, retirement communities help residents remain healthier and happier for longer, leading to 14,000 avoided annual hospitalisations across the country.[3]

This means retirement villages – whose units in each of the capital cities are on average 43 per cent more affordable than the median house prices in the same postcode – deliver societal, economic, and environmental benefits including reducing pressure on housing markets, hospitals and aged care facilities.[4]

There is also an important role older Australians can play within housing markets when they consider 'rightsizing' into homes better designed and suited to their ageing needs.

Around Australia there are approximately 1.4 million people over 75 living in dwellings that are oversized for their needs, which makes rightsizing an important piece of the housing puzzle. Larger homes can also increase health risks as people age, with most cases of falls in older people occurring at home.

This is an important transition because when an older person sells the family home and moves into a house that is more suitable for their ageing needs – in a retirement community, for example – it frees up housing stock for young people, couples and growing families.

However, this needs to be enabled by older Australians having access to a fulsome supply of retirement dwellings in the right areas, at a time when retirement villages are effectively operating at full capacity.

In recognition of these significant cumulative benefits, retirement living needs to be elevated within the strategic planning discourse. Achieving this requires:

01 State and territory governments to establish clear policies in relevant strategic plans for age-friendly accommodation, supported by ambitious growth targets

02 Planning authorities to work with industry to identify high-need locations and ageing hot spots

03 Significant zoning or development bonuses that incentivise the development of retirement villages, akin to those given to social and affordable housing

04 That retirement living is addressed in local housing strategies

05 Acknowledgement by the Federal Government of the evolving and innovative models the retirement sector can present in the delivery of care and wellbeing services

Retirement living cannot compete with other land uses

As people age, their needs become more complex. It should therefore come as no surprise that a retirement village development is more complex than a standard residential development, with financial returns lower than other housing types. These complexities include more onerous design and built form requirements, the upfront cost of providing on-site amenities for residents, lack of awareness by development assessment teams leading to longer approval timeframes and higher holding costs.

Unless there is zoning that prioritises retirement living – through specific precinct planning and the provision of floorspace and height bonuses – industry will fail to keep up with demand. There are operators with capital to deploy, yet they are facing barriers that could be addressed through sensible policy changes.

In terms of market penetration 12.6 per cent of Australians aged over 75 live in a retirement community and the sector is operating at full capacity.[5]

If industry meets current levels of demand around Australia, 67,000 new units in retirement villages are required by 2030, while only 18,000 are currently planned.[6]

Pavilions Blackburn Lake at Nunawading, Victoria

Understanding the value proposition of retirement villages

When assessing a new retirement development application, comprehension of the care and value proposition of retirement communities, along with the planning considerations required for their development varies by authorities and by individual officers.

This often leads to confusion, or the wrong standards being applied by planning assessors, resulting in significant delays and unintended outcomes during the approval process.

Often retirement villages are confused with aged care facilities, but they are not the same thing.

Retirement communities are privately funded and designed for people who can still live independently. On the other hand, aged care homes are taxpayer funded and are designed for people who can no longer live independently and who might require 'round the clock' care and safety.

State based policies and instruments would help to address this confusion. Additionally, flexible approaches to guides and controls will help further ensure that the function and operation of retirement living is more efficiently facilitated through planning frameworks.

Retirement communities are privately funded and designed for people who can still live independently. On the other hand, aged care homes are taxpayer funded and are designed for people who can no longer live independently.

Aveo Bella Vista Haven in New South Wales

Section 01
The scorecard

The scorecard framework

This planning assessment framework was designed with industry planners, followed by testing and refinement with input from retirement village operators around Australia.

The framework is built around four key pillars – known as the planning pillars – in this report. They are:

- Policy direction
- Legislative framework
- Site and built form requirements
- Fees and levies

The planning pillars and characteristics assessed in the scorecard are summarised in Exhibit 1.

The same survey architecture was used as the 2017 Report Card to ensure consistency. The responses to each question are calculated in the planning pillars and outcomes scores.

The online survey was distributed in March 2024 and completed by industry professionals around Australia, covering all states except the Northern Territory.

Other measures provide an assessment of how planning systems are functioning in practice. For the purposes of this report, a well-functioning planning system should provide:

- Consistency
- Certainty
- A progressive outlook
- Efficiency
- Clarity

For **consistency**, rules would be applied uniformly across different local government areas.

For **certainty**, an applicant should be able to have a reasonable expectation of an outcome, free of populist interventions.

If a planning system has **a progressive outlook**, it should have inbuilt flexibility to allow for innovation.

Efficient planning systems provide determinations within a reasonable time-frame, without unnecessary interventions.

There is **clarity** when the rules, processes and controls are clear to understand.

The methodology

A composite score by pillar and outcome was calculated for each jurisdiction based on practitioner and perception survey responses.

Following the methodology of the 2017 Report Card, a composite of the practitioner (planners) and perception survey (operators) responses were calculated, providing a single score by pillar and outcome for each jurisdiction.

An online industry workshop with operators and practitioners focussed on understanding if there had been an improvement or erosion since the 2017 scorecard was completed. This session also provided insights into experiences to help understand and explain the results.

Responses from the 2024 survey were then used to calculate scores for pillars and outcomes.

In a workshop and individual sessions with practitioners (planners) using the previous scores as a baseline, an assessment of change to each pillar and outcome was made.

The assessment considered:

- Changes to planning systems
- The relevance of any changes to retirement living assessment, development and supply
- The impact of any changes and to what degree
- Whether the changes identified through the survey and workshop would lead to a change in overall ranking.

This process was used to update scores in a way that was measured and avoids the risk of error and bias in states where there were fewer survey responses.

A composite score provides a balance between the respondents' insight and the practitioners' experience with the planning system for retirement village developments.

This rating was then indexed to a score out of 100 consistently across all questions, which were then aligned to pillars and outcomes.

States are ranked 1 to 7, with 1 being the highest rated and 7 the lowest rated. For some scores states share the same one and thus share that ranking.

Jurisdictions covered are the Australian Capital Territory (ACT), New South Wales (NSW), Queensland, South Australia (SA), Tasmania, Victoria and Western Australia (WA). The abbreviations shown are used hereafter.

Terminology for this industry is not consistent across states and in this report is referred to as a combination of:

- Retirement villages
- Seniors' housing
- Retirement living or
- Retirement facility.

Outside the specific jurisdiction chapters, the term "retirement living" is used.

The planning pillars

The main elements of state and territory planning frameworks have been captured via four planning pillars. These consider government policy direction, applied planning rules through regulation, individual site and building controls as well as the associated costs for planning and approval.

Each of these pillars comprises listed features that function either as enablers or barriers to the development of retirement living. Questions in the survey are designed to assess each of these features.

Retirement living is the generic term used which refers to all dwellings governed by retirement village legislation in each state and territory.

Exhibit 1
Planning pillars framework

Policy direction

- State has a policy for retirement living
- Articulated vision, objectives and priorities for retirement living development
- Supply targets for retirement living
- State has a strategy for the delivery of retirement living

Legislative framework

Retirement living is defined in relevant legislation

Zone permissibility is consistent across areas

Approval requirements are proportional to the complexity of the development

Fast track approval options

Availability of height or floorspace bonuses

A specialised retirement living zone

Bonuses in high-density mixed-use zones

Industry knowledge by the consent authority

Site and built form requirements

Specified amenity requirements for retirement living

Specified design requirements for retirement living

Arbitrary application of requirements, i.e. controls versus guidelines

Design guidelines are reflective of different retirement living typologies and needs

Fees and levies

Calculation of development application fees is transparent

Calculation of levies is transparent

Levies are proportional to the physical and social infrastructure used by residents

Contributions levied are consistent across councils

Planning context snapshot

A summary of the key features in each jurisdiction's planning system as they relate to the development of retirement villages is provided below.

Exhibit 2

Jurisdiction planning changes

	State planning instrument for retirement villages	State assessment pathway available to retirement village projects	Height and floorspace bonuses for retirement villages	Changes since 2017 report card
Australian Capital Territory	✗	✓	✗	• *New Planning Act 2023* and Territory Plan replaces the *2008 Planning Act* • Introduction of design guides
New South Wales	✓	✓	✓	• Transfer of provisions from the *State Environmental Planning Policy (Housing for Seniors or People with a Disability) 2004* (Seniors SEPP) to the *State Environmental Planning Policy (Housing) 2021* (Housing SEPP) • New State Significant Development (SSD) pathway for seniors' housing for projects worth more than $30 million
Queensland	✗	✗ Yes, if a Priority Development Area	✓ Some councils	• *Housing Availability and Affordability (Planning and Other Legislation Amendment) Act 2024* (the HAAPOLA Act)

Since the 2017 Report Card, wholesale planning reform with major changes have been implemented in SA and the ACT. Similarly, there are current reviews and changes being considered in various states.

There have been amendments to schemes, codes and introduction of guides in other states, which are not as large as the wholesale changes made in the mentioned states.

	State planning instrument for retirement villages	**State assessment pathway available to retirement village projects**	**Height and floorspace bonuses for retirement villages**	**Changes since 2017 report card**
South Australia	✗	✓ $ thresholds apply	✓ Some zones	• Transitioned to the *Planning, Development and Infrastructure Act 2016* and *Planning, Development and Infrastructure (General) Regulations 2017* • Consolidated 72 development plans into a single comprehensive Planning and Design Code
Tasmania	✗	✗	✗	• Updates to planning schemes to transition to Tasmanian Planning Scheme • Amendments to introduce medium density and apartment design guidelines
Victoria	✗	Development Facilitation Program (DFP) ($ thresholds apply)	✓	• Assessment pathway reforms to improve timeframes for approval
Western Australia	✗	Significant Development Pathway ($ thresholds apply)	✗	• Amendments *Planning and Development Act 2023* • Updates to R-codes (not retirement specific)

Demographic shifts

Australians are getting older and have been ageing at a faster rate over the decade to 2023 indicated by increases in the median age across all states.

Queensland and WA are ageing faster than the other states covered in the report, though the Northern Territory is ageing at the fastest rate. Population data from the Australian Bureau of Statistics (ABS) reveals a 6.2 per cent increase in the median age from 35.8 to 38.1 years in WA. In Queensland there was a 4.9 per cent increase in median age over the same period compared to a national average increase of 2.9 per cent.[7]

The most populous states of NSW and Victoria are projected to be home to more than two million residents aged over 75 years in 2040.[8]

In 2024, an estimated 13.6 per cent of SA residents will be over 75 years, and in Tasmania the share is even more prolific where the age cohort will account for 14.3 per cent of the population.[8]

Population projections show NSW, Queensland and Victoria will add more than 1.2 million residents to the over 75 years cohort from 2023 to 2040. In NSW alone there will be more than 1.7 million residents aged over 75 years.[8]

This is the core age group for retirement village residents and a stark warning that policy changes are essential to help respond to this enormous challenge.

Population for the over 75 years age cohort is shown for each jurisdiction as of 2023 and the projected increase in 2040 for each in Exhibit 3.

Exhibit 3

75+ years population projections[8]

	75+ years population 2023	75+ years population Est. 2040	Percentage change
Australian Capital Territory	29,169	54,467	+86.7%
New South Wales	673,085	1,171,623	+74.1%
Queensland	412,370	756,566	+83.5%
South Australia	172,615	282,904	+63.9%
Tasmania	54,717	88,859	+62.4%
Victoria	520,555	951,072	+82.7%
Western Australia	205,280	394,051	+92.0%

National scorecard results

The day-to-day operation of planning systems and the experiences of users is influenced by a range of factors. Comprehensive and considered design of policy, legislation, controls and codes are all crucial to enabling positive outcomes. Processes are also important and, if not supporting, can undermine the whole process.

During industry engagement we found that an authority's attitude is an important outcome factor. As an example, Tasmania does not rank highly for its legislative framework, consistency or clarity, however authorities with an investment and economic focused mindset are willing to work with operators to support a good outcome in an efficient way. Queensland is another example where some councils demonstrate positive intent to enable retirement living through incentives, a flexible mindset and valuing investment. However, inconsistent attitudes across council areas makes for a more difficult operating environment.

The table below shows the overall ranking for each jurisdiction, against the 2017 Report Card rank. As noted in the methodology, 1 is the highest rank, 7 the lowest. Overall, the scores and rankings are consistent with the last report card. Changes to planning systems tabled on pages 14 to 15 show there has been some positive change. These changes have only marginally impacted scores and broadly there is a negative sentiment towards planning systems, reflected planning reflected by scores in the 40s and 50s.

The lack of progress since the 2017 Report Card represents seven wasted years. Every challenge raised in that report is still relevant today, and now there is an even greater a sense of urgency to support more age-friendly affordable alternatives and housing overall.

Pillar and outcomes scores are provided on the following pages.

Exhibit 4

Overall scorecard matrix

Scores /100 and rank by state

	South Australia	New South Wales	Australian Capital Territory	Victoria	Queensland	Tasmania	Western Australia
Score	58.8	51.2	50.9	45.8	43.2	42.8	42.7
2024 rank	1	2	3	4	5	6	7
2017 rank	1	2	3	4	5	7	6

Note: colour conditioning indicates rank distribution from highest to lowest

Colour key

Highest rank … Lowest rank

Scorecard results by pillar

Overall, scores across the pillars are similar to the previous scorecard which reflects the fact there has been limited legislative or policy changes that impact on retirement living. The changes and observations of what has not changed are summarised below.

Improved

SA's new Planning and Design Code specifies some additional general (not zone specific) criteria for retirement villages located within urban areas. It takes into consideration on-site movement of residents, universal design features, safe access and mobility challenges, size of communal space and reduced parking rates for retirement villages compared to standard residential dwellings.

In NSW provisions for retirement villages, defined as seniors housing, were transferred to the *State Environmental Planning Policy (Housing) 2021* (Housing SEPP). Improvements include new prescribed zones (including rural, residential, employment and special use zones) where seniors' housing is permitted, the removal of site compatibility certificates and bonus floor space incentives to encourage seniors' housing developments in higher density areas. The incentives have not yet proved to be consistently practical. A new SSD pathway has been added for seniors' housing for projects worth more than $30 million (or more than $20 million outside Greater Sydney).

The increased emphasis on design outcomes in WA has improved the score for the site and built form pillar score.

Status quo

NSW remains the only jurisdiction with a state-based planning policy instrument for the development of retirement living. There are no signs other states are considering retirement specific policies.

With no new policies specific to site and built form requirements in Queensland, Tasmania and Victoria the scores are unchanged. There has been no movement on scores for all states when it comes to fees.

While there is a new Planning Act 2023 in the ACT the changes do not appear to support or erode the planning process or outcome for retirement living, and thus the legislative framework score is unchanged. The introduction of a developer licensing regime in the ACT will require retirement village developers and operators to obtain a license for most works conducted to establish and maintain a retirement village. If introduced as it is currently drafted, this will likely taint the overall development experience in the ACT.

Exhibit 5

Planning pillar scorecard matrix

Scores/100 by state

	Retirement and policy direction	Legislative framework	Site and built form requirements	Fees and levies
South Australia	12.5	60.0	60.5	66.7
New South Wales	43.0	47.0	58.0	53.3
Australian Capital Territory	12.5	57.4	56.0	56.7
Victoria	12.5	48.8	52.3	76.7
Queensland	12.5	42.9	53.4	83.3
Tasmania	12.5	40.0	63.3	83.3
Western Australia	12.5	46.0	52.3	53.3

Exhibit 6

Planning pillar scorecard matrix

Rank by state

	Retirement and policy direction		Legislative framework		Site and built form requirements		Fees and levies	
	2024	2017	2024	2017	2024	2017	2024	2017
South Australia	2	2	1	2	2	2	4	4
New South Wales	1	1	4	4	3	3	6	6
Australian Capital Territory	2	2	2	1	4	4	5	5
Victoria	2	2	3	3	6	6	3	3
Queensland	2	2	6	6	5	5	1	1
Tasmania	2	2	7	7	1	1	1	1
Western Australia	2	2	5	5	6	6	6	6

Note: colour conditioning indicates rank distribution from highest to lowest

Scorecard results by outcome

There has been more movement in outcome scores relative to shifts in pillar scores. Legislation and policies influence outcomes, though other factors are also at play including the interpretation of policies at a local council area level, the capacity of authorities to make timely assessments, the varying degree of community intervention and the extent of planning overlays to navigate.

Any shifts in outcome scores are slight to moderate changes which may be in response to system reform as well as changes in authority attitudes.

Improved

SA improved on all scores due to the substantial move to a single Planning and Design Code which impacts positively on all outcomes.

The introduction of the State Significant Development pathway in NSW should bring greater **clarity** and certainty if well utilised.

Decade long reform in WA has focused on improving **consistency** among the many local government areas, simplifying planning processes and improving design outcomes.

Introduction of design guides in the ACT is a sign of **progress** to support better design outcomes. However, it is still too soon to determine benefits until the industry has had time to work with them.

In Tasmania there has been improvement as the Tasmanian Planning Scheme continues to be rolled out applying state-based rules to all local areas. The response was reported to be very positive when it comes to facilitating development, which also aligns to an investment friendly position.

Declined

Efficiency in both NSW and Victoria was rated lower as planning capacity at both levels of government appears to be under pressure. Both states have introduced state-based pathways for assessing retirement living in recent years for developments that meet the qualifying criteria. In NSW, the trigger is a development value of more than $30 million and must include aged care. In Victoria, the DFP is available to retirement living developments valued at more than $50 million in metropolitan Melbourne with 10 per cent affordable housing, or contribution in lieu of. Over time as there is more utilisation of these pathways efficiency may improve.

Status quo

NSW holds a similar score for **consistency** as there continues to be a state-based policy. Victoria and Queensland have not seen any changes that would alter **consistency**, and this applies to the level of **certainty** experienced.

A concern is that the perception of **progress** has not changed for most states in the last seven years. That is a long time to stand still on making changes to increase the supply of age-appropriate housing when the population is rapidly ageing. That is the case for NSW, Queensland, Tasmania and Victoria.

Exhibit 7

Outcomes scorecard matrix

Scores/100 by state

	Consistency	Certainty	Progressive	Efficiency	Clarity
South Australia	65.0	56.0	58.0	65.0	50.0
New South Wales	69.0	57.0	44.8	40.0	45.0
Australian Capital Territory	63.0	55.1	47.0	41.5	48.0
Victoria	52.1	40.3	51.3	48.0	37.1
Queensland	32.8	44.0	46.1	49.1	44.0
Tasmania	37.0	40.5	57.3	49.0	30.0
Western Australia	42.0	41.0	50.0	44.5	36.0

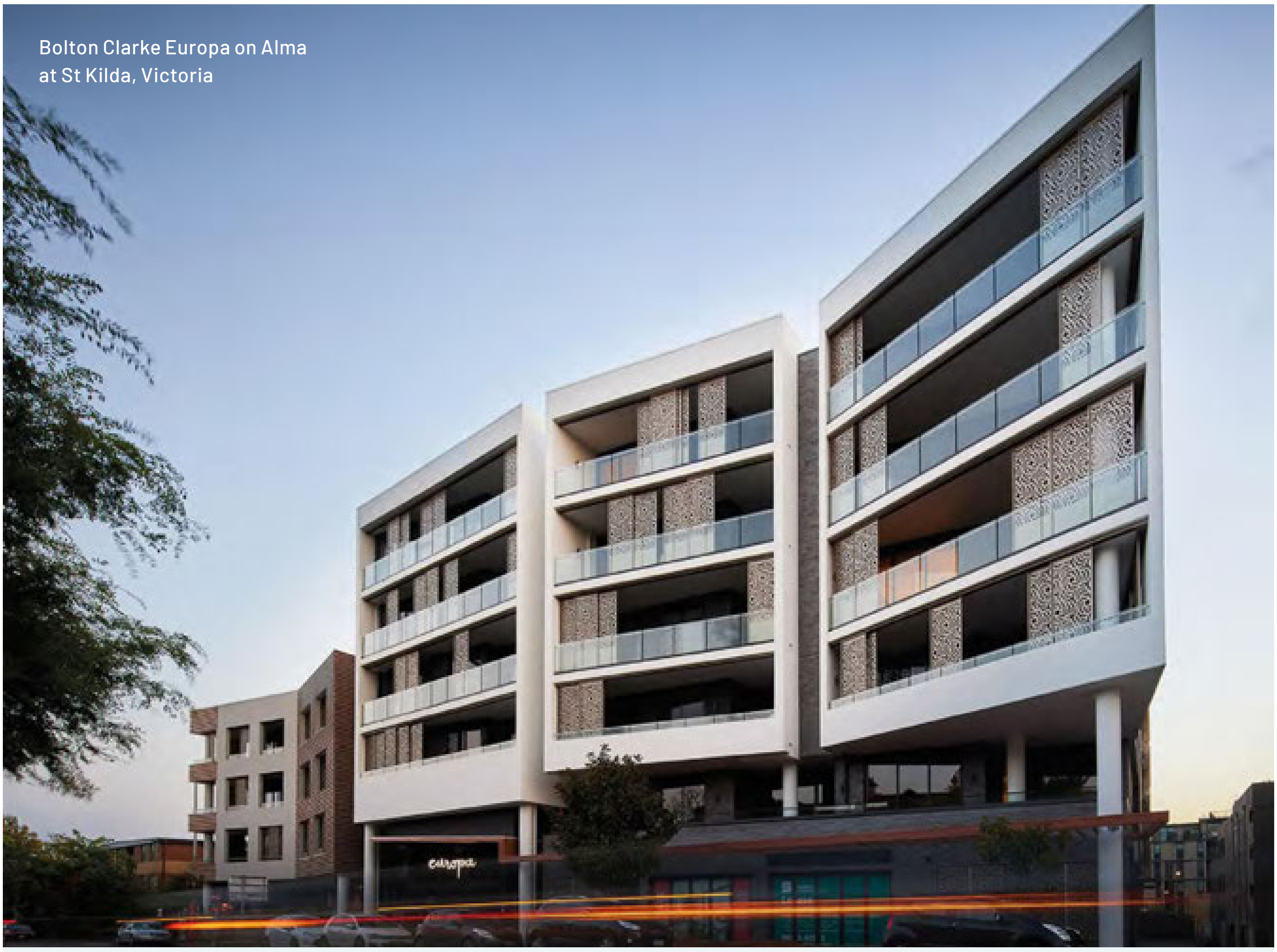
Exhibit 8

Outcomes scorecard matrix

Rank by state

	Consistency		Certainty		Progressive		Efficiency		Clarity	
	2024	2017	2024	2017	2024	2017	2024	2017	2024	2017
South Australia	2	2	2	3	1	2	1	1	1	3
New South Wales	1	1	1	1	7	6	7	5	3	2
Australian Capital Territory	3	3	3	2	5	5	6	6	2	1
Victoria	4	4	7	5	3	3	4	2	5	4
Queensland	7	7	4	4	6	4	2	3	4	6
Tasmania	6	6	6	7	2	1	3	7	7	7
Western Australia	5	5	5	6	4	7	5	4	6	5

Note: colour conditioning indicates rank distribution from highest to lowest



Bolton Clarke Europa on Alma
at St Kilda, Victoria

Comprehensive and considered design of policy, legislation, controls and codes are all crucial to enabling positive outcomes. Processes are also important and, if not supporting, can undermine the whole process.

Section 02
Implications for industry

Challenges for industry

There is a clear lack of understanding of the retirement housing product.

Currently, there is a clear lack of flexibility in planning systems to assist the development of retirement villages that meet residents' needs. The planning experience would be greatly improved, and retirement housing could be delivered more expediently, if policy makers improved their understanding of the product and service offering. Educating the broader community is also a challenge. Better education across the board would lead to faster, better informed decisions and ultimately less need to go to relevant appeal tribunals to achieve an outcome.

The industry survey for this report highlights the knowledge gap with only 9 per cent of respondents rating understanding as good.

Often there is confusion between retirement villages and aged care, which are incorrectly considered interchangeable. The table on the next page illustrates the characteristics of retirement communities and residential aged care. Different planning responses are required.

Exhibit 9

Planning assessor understanding

70 per cent believe assessor understanding is poor to very poor.

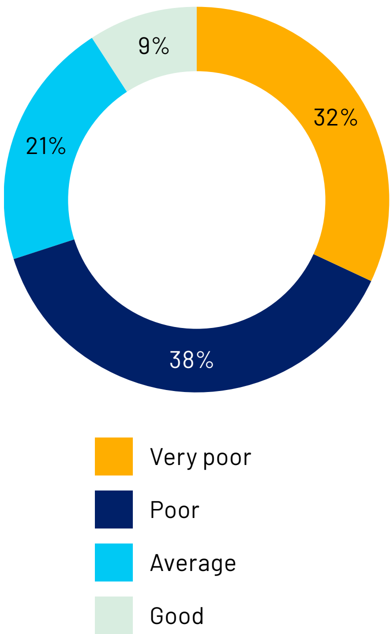


Exhibit 10

Characteristics of retirement communities and residential aged care[9]

	Retirement communities	Residential aged care
Drivers to entry	**Lifestyle driven** – for those looking for low maintenance community, freeing up equity, and access to support when required	**Needs driven** – for those who need high levels of support and round-the-clock assistance
Level of care	**Supportive community and in-home services**, including access to Home Care packages	**24/7 onsite support** for daily tasks and healthcare
Social opportunities	**Onsite activities, sports, and cafes**, as well as proximity to local restaurants, cinemas and parks	**Organised activities** and entertainment including social outings, meals, and crafts
Access to support services	Availability of **in-home domestic support, visiting health professionals** and on-site staff	Onsite visits from doctors and health professionals, including **nurses on call**
Facilities	Greater access to **health and wellbeing facilities**, including gyms, pools and community centres onsite	**Facilities for higher care needs**, including dementia care and respite care
Building classification	Certified as **class 1 and 2** under the Building Code of Australia	Certified as **class 9c** under the Building Code of Australia

Lack of understanding leads to poor outcomes for the retirement housing product.

At times there is no consideration of customer preferences, and no flexibility to allow for what is right for the market.

A common industry experience is when authorities give no regard for market demand and preference factors. This has resulted in forcing the industry to develop smaller or larger units which do not meet resident demand in order to comply with planning regulations. This has led to situations where these units have taken a long time to sell.

Planning systems are lacking the flexibility necessary to ensure that the final product responds to customer wants and needs. Consequently, the same rules for standard residential developments often end up applying to retirement living leading to poor built form outcomes.

Retirement communities continue to evolve as a viable alternative to aged care and the traditional residential market.

Planning systems need to be agile enough to facilitate innovations in housing products in response to changing care funding models and customer trends to age in place. It is not just housing at stake here, it is about creating environments appropriate for providing care and social systems.

Prescriptive controls are applied to development in a way that is inappropriate to the needs of the end user resident.

An example is where an authority required an increase in the balcony size for a one-bedroom unit on the assumption of higher levels of physical activity and socialising than what is typical for the village setting. The requirement also did not factor in the additional recreation amenity provided within community and shared spaces to offset smaller sized units.

Exhibit 11

Flexibility of planning system for innovation

60 per cent find flexibility is poor to very poor.

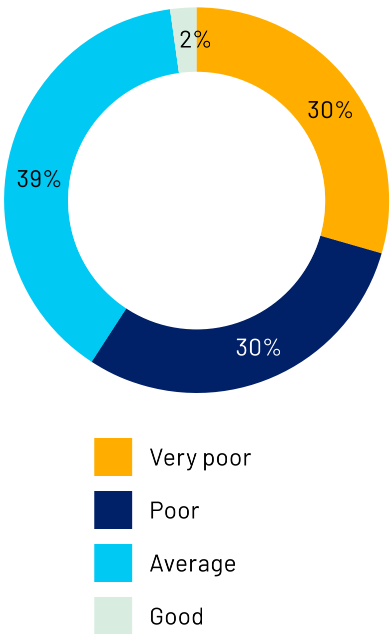
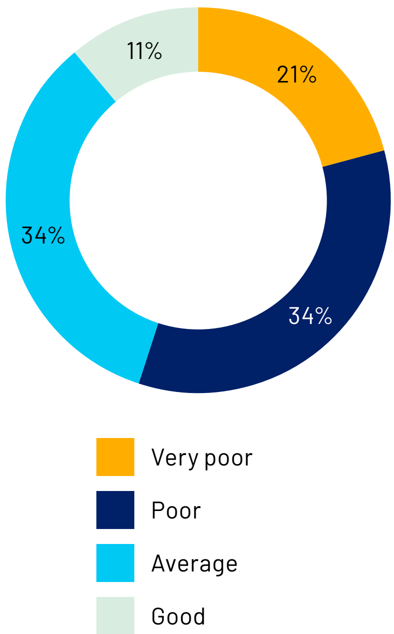


Exhibit 12

Relevance of site and built form requirements

55 per cent rate the relevance of requirements to retirement living as poor to very poor.



Retirement living is unable to compete with other land uses.

Returns for retirement villages are lower than standard residential due to several factors.

This includes more onerous design and upfront built form requirements and the cost of providing on-site infrastructure amenity for residents.

Retirement villages must build substantial common amenity for residents, in addition to requirements for larger wet areas, wider corridors and additional lifts, which does not provide a financial return to operators.

One of the great upsides for residents are the communal facilities and amenities that act as the beating heart of these communities. These facilities help keep people healthier and happier for longer. This benefits governments but this also comes at a cost to operators compared to standard residential development.

Competition for sites is challenging and in most capital cities retirement villages need to compete with standard residential developers for new sites.

Typically, retirement villages are not considered the highest and best use for land, particularly in urban infill areas. Unless there are favourable controls or zoning, retirement developers are disadvantaged. There are operators with capital ready to mobilise but are unable to due to unworkable feasibilities.

Infrastructure contributions are calculated using the same method for standard residential.

The issue with this approach is there are no allowances made to industry for reduced use of amenities and infrastructure by retirement village residents. There is no acknowledgement of the amenity that industry incorporates into villages, nor the additional investment required compared to standard residential developments.

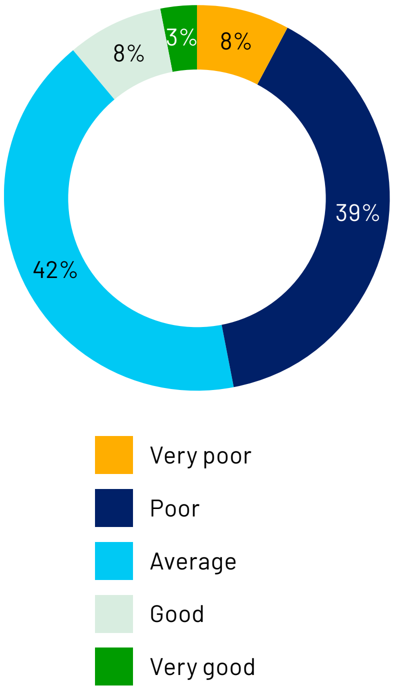
Height and density bonuses are an important mechanism for improving the feasibility of retirement living, as long as they are practical.

NSW introduced bonus floorspace incentives which in theory are positive. However, feedback from industry is they are often not practical as the height limit is exceeded before maximising the additional floorspace. The provisions should be reviewed, particularly in light of incentives being given for competing housing types to ensure they are fit for purpose and facilitate more retirement villages.

Exhibit 13

Height and density bonuses practicality

47 per cent rate the practicality of bonuses as poor to very poor.



Brisbane City Council (BCC) introduced a suite of incentives in 2016, which created significant opportunities to deliver more age-appropriate housing, typically on infill sites where the industry is competing with other residential developers. Height and floorspace bonuses have enabled developments to come to market, that without may not have been feasible.

Poor efficiency is tied to process and capacity issues.

The industry survey shows that across a sample of 77 retirement village development applications, 67 per cent took more than 12 months from lodging an application to receiving determination. Of this, 23 per cent took more than 2 years, and in NSW that proportion was an alarming 33 per cent.

Costs to operators increase with extended holding times compromising the feasibility of a project. Delays in the assessment process is not an issue specific to retirement living, however because of poor understanding by authorities, additional time is routinely required.

Reasons for delays in the process were put down to:

- Time required to get input from State and Local Government referral agencies
- The level of response and design detail necessary to meet referral agencies requirements
- The weight put on community objections.

Industry feedback on NSW and Victorian systems indicated that the assessment process had pushed out further in recent years. These delays could be reduced if there was better understanding by authorities and the community of the role of retirement living, and the benefits it brings to residents and society more broadly.

Exhibit 14

Length of development application after lodging

67 per cent of DA wait times exceed 12 months, with 23 per cent exceeding two years.

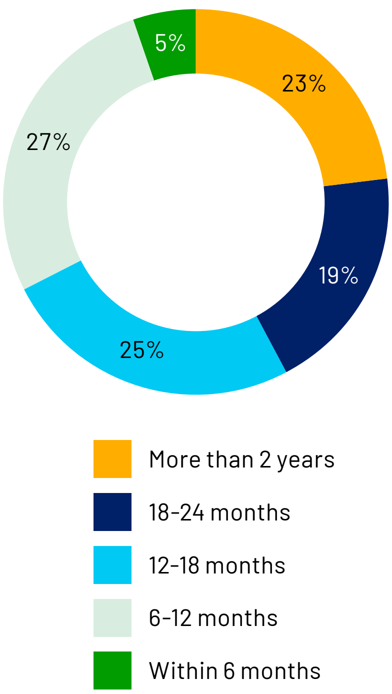
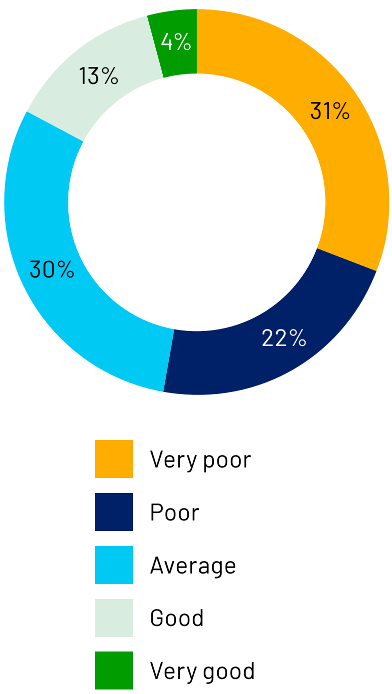


Exhibit 15

Time taken by authority to provide consent

53 per cent rate the time taken to obtain consent as poor to very poor.



Retirement living is missing from strategic planning.

For as long as retirement living does not feature in strategic planning documents, states and territories are ignoring an industry with significant capacity to contribute to the housing crisis across the country.

More than ever the case for recognizing retirement living is compelling because it:

- Makes a positive impact on housing targets
- Facilitates the release of existing housing back into the broader residential market
- Facilitates age-appropriate rightsizing
- Offers an affordable option for retirees when they most need funds for retirement
- Delivers health and social benefits
- Supports ageing in place.

To maintain current levels of demand from older Australians, industry requires 67,000 ILUs to be built by 2030. If governments helped to facilitate this new supply in an expeditious manner, industry could help meet federal and state housing targets while returning family-sized homes back into the market.[10]

Retirement villages provide housing typically at a discount to the median house price in the same area. They are designed to provide an affordable rightsizing option with lower entry prices than standard housing. Australia-wide the Property Council Retirement Census shows units are 43 per cent more affordable on average than the median house price and 59 per cent lower in metropolitan Sydney.[11]

Modelling has found that delaying older Australians entry into residential aged care by two years could lower government spending by $945 million per annum. Less demand for aged care from retirement village residents supports better hospital and aged care capacity. Additionally, research has found residents are 20 per cent less likely to be hospitalized after the first nine months living in a village.[12]

The call to action

Industry is ready to work with governments to bring retirement living into strategic plans. This will require a mix of:

- Meeting planning ministers and executives across states and educating planning departments
- Submitting evidence to support the case
- Working with councils preparing housing strategies
- Preparing submissions to housing strategies in areas where there is a strong need for retirement living
- Pushing the case for change to elected officials, ensuring they understand the benefits for their communities
- Establishing working groups with government and industry to develop policy.

Recommendations for all states

Industry is ready to work with governments at all levels towards achieving a shared goal of housing more Australians.

There is a lack of understanding of the retirement housing product.

Response actions

01 Define a consistent set of controls and design guidance at state level for operators of retirement living that is then applied consistently across local government areas.

02 Make planning assessment merit-based, taking an outcomes focussed approach with less emphasis on applying prescriptive controls. Apply flexibility on requirements such as those related to carpark ratios, landscape reductions, setbacks and distance thresholds.

03 Authorities to factor into assessment the evidence from the applicant on market supply and demand factors that support their plans. This could be supported by an education piece that describes the product and difference to other development types.

Retirement living is unable to compete with other land uses.

Response actions

01 Establish minimum land allocations for the development of retirement communities in under-supplied areas. Minimum allocations can ensure suitable housing options are prioritised in development forecasts, and address housing supply issues.

02 State Governments to review zones where retirement living is not permissible currently and identify zones where it could be permitted to provide locations where the industry can avoid direct competition with residential developers for limited sites.

03 Make floorspace and height bonuses for retirement living more prevalent. This would assist with feasibility and help offset the requirements for larger apartments and community amenity.

Poor efficiency is tied to process and capacity issues.

Response actions

01 Reduce the amount of documentation required for core studies such as environmental, transport, traffic and stormwater.

02 Mandate a reasonable prescribed timeframe for responses from referral agencies and declare ‘deemed approval’ if responses are not provided in the timeframe.

03 Adopt SA’s approach where the assessing authority can only stop the clock once to request further information, and this request must be issued in the first 10 business days of the assessment time. A countdown clock with time remaining for decisions is shown on the PlanSA portal for transparency.

Retirement living is missing from strategic planning.

Response actions

01 State governments to establish clear policies for increasing age-friendly developments through the introduction of targets in strategic regional and metropolitan plans.

02 Require that retirement living is addressed in local housing strategies prepared by councils and address state government targets.

03 Government agencies to better collaborate with industry to plan for more retirement villages in areas of growing demand.

State specific responses

In addition to the recommendations for all states on pages 30 to 31, jurisdiction specific recommendations are provided in consultation with industry operating in these states.

Australian Capital Territory

01 Develop a strong education program to explain how the new Territory Plan, Design Guides and technical specifications work and how they relate to retirement villages.

02 Provide additional resources to the National Capital Design Review Panel and appropriate levels of support staff such that bookings for prescribed development receive an effective and efficient response.

New South Wales

01 Review process to consider whether a planning proposal and SSD process could run concurrently. At minimum, consider the masterplan SSD. Starting before the planning proposal is complete.

02 Create a consistent policy for all councils that only significant developments are advertised to the public, and for more minor projects writing only to surrounding residents for feedback.

03 Consider a priority assessment team for approvals of development applications and interagency coordination with power to direct agencies to respond within time constraints.

04 Extension of affordable housing floorspace bonuses to retirement villages.

Queensland

01 Reintroduce and broaden use of BCC-style incentives. Wider recognition that building heights and built form should be relaxed for providing retirement facility housing.

02 Councils to consider extending those incentives to church owned land for retirement facility developments.

South Australia

01 Consider developing policy to incentivise the development of retirement villages. This could be achieved through implementing similar provisions provided to social and affordable housing, such as height and density bonuses in some areas of the state.

Victoria

01 Review the DFP to improve access and relevance for industry. There is no room within development feasibilities to hand over 10 per cent of product to affordable housing, nor make the in-lieu cash contribution.

02 Provide the option to consult with the State Planning Ministers' Office or VCAT during a stalled planning application, not after local government decisions

03 Include retirement living units in state housing targets.

Section 03

State and territory performance

Australian Capital Territory

Overall score
50.9

Rank
3

State population[13]
466,416

State population 75+ years[13]

2023	2040
29,169	54,467

Proportion of population 75+ years[13]

2023	2040
6.3%	9.4%

Current population 75+ years in oversized dwellings[14]
15,680

Affordability[15]
31.0% more affordable

Average two-bedroom ILU price in Canberra compared to median house price in the same postcode

Industry sentiment

Industry operating in the ACT is waiting to see how the new *Planning Act 2023* and Territory Plan will enable different outcomes for the development of retirement villages.

The introduction of a developer licensing scheme requiring all property developers to have licenses for building works is a major concern for industry. Operators already complete works to a safe and high standard in fulfilling their obligations to maintain quality villages. As ongoing owners this quality safeguard measure would not serve the same purpose as it does for developers that build, sell and move on. It is more regulation for an already highly regulated industry.

The rank is the same as the 2017 Report Card. There is a slight improvement in the consistency and progressiveness scores following the introduction of new legislation and the new Territory Plan.

Planning context

The reinvigorated *Planning Act 2023* marks a substantial overhaul of the ACT's planning framework by embracing an outcome-based approach, incorporating strategic planning instruments, and simplifying the development approval process.

Specific provisions of the *Planning Act 2023* came into effect in June 2023, focusing primarily on the formulation of essential instruments including the introduction of a new Territory Plan, Design Guides and District Strategies.

While none of the new provisions specifically respond to the need for retirement living, there is a focus on creating consistent planning controls across the ACT.

The Territory Plan sets out the land uses and zone policies across the ACT.

How are retirement villages identified in the ACT planning system?

Retirement villages are defined under the umbrella residential use term as "a premises where older members of the community or retired people live, or will live, in independent living units or serviced units, under a retirement village scheme".

The pillars ACT

Retirement and policy direction

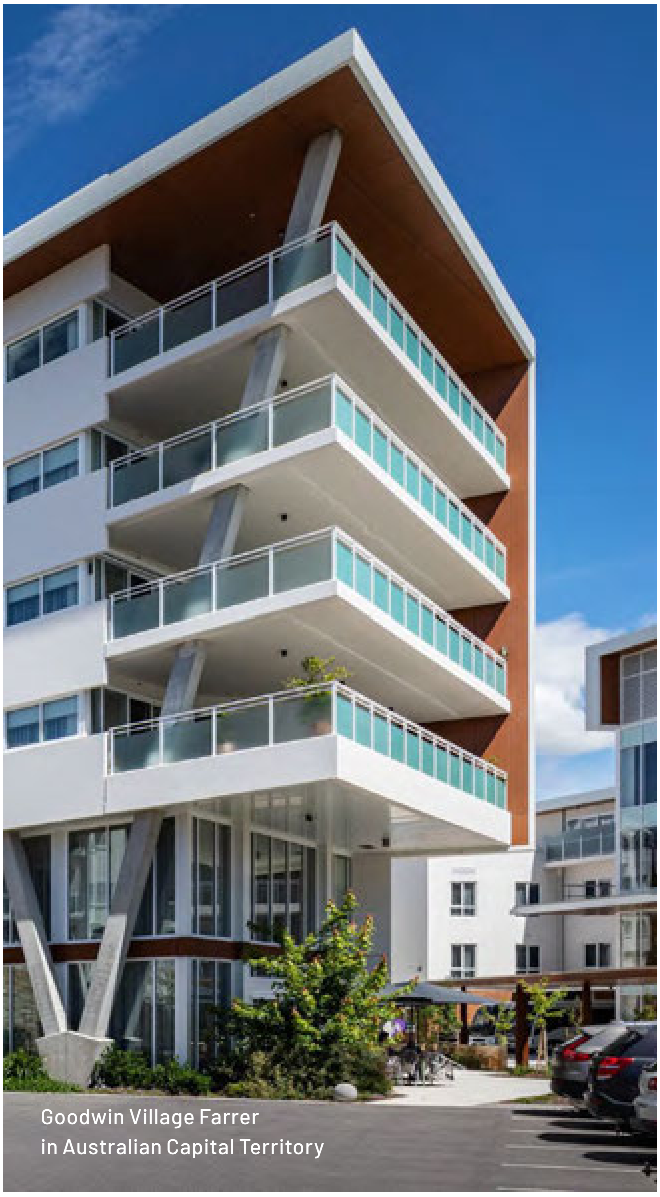
Score	Rank
12.5	2

As with all states except NSW, there is not a specific retirement policy in the ACT, and hence the score is consistent with other states.

Including provisions specific to retirement living at the time the ACT Government was updating the Territory Plan would have been an ideal time to plan for the ageing population.

Changes to the overall planning policy aim to create consistency across the ACT but do little to incentivise retirement living.

The positives are that retirement living is permitted in some non-residential zones which could help industry if they are not in competition with standard residential developers.



Goodwin Village Farrer
in Australian Capital Territory

Legislative framework

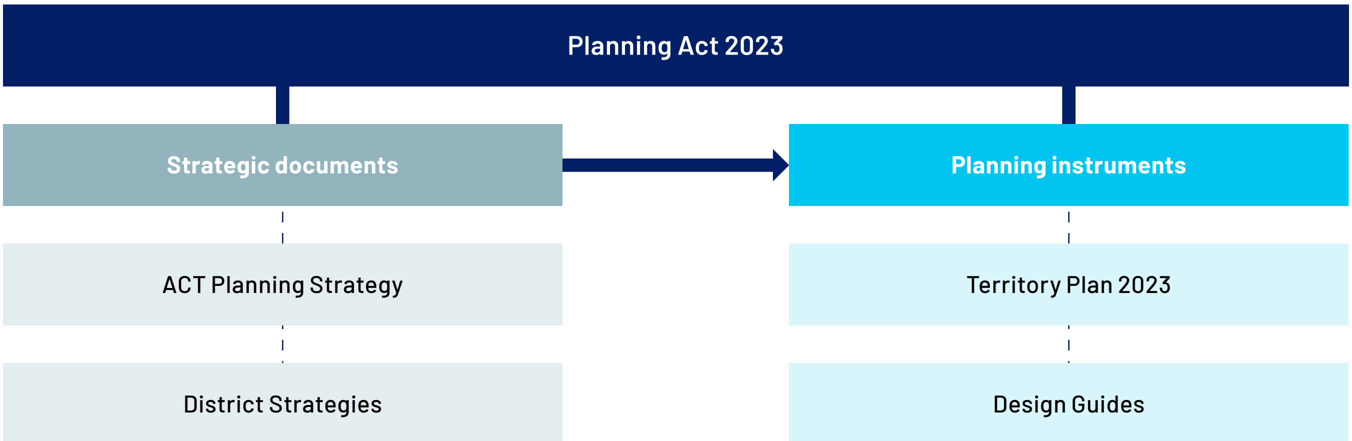
Score	Rank
57.4	2

The key change in the last five years to the ACT Planning System is the replacement of the *Planning Act 2008* with the new *Planning Act 2023* and Territory Plan.

The new Plan introduces a detailed map of the ACT identifying the zones and districts to which the Plan applies. Retirement villages are permissible in all residential zones, the community facility zone and a majority of commercial zones (excluding CZ6 Leisure and Accommodation Zone) across the ACT. Retirement villages are not permissible within non-urban zones which limits retirement living in rural locations.

The proposed developer licensing and rectification regime will require developers to obtain a license for most works. Retirement village operators will need a license to complete works associated with maintenance of villages, let alone development.

District Plans have also been introduced to identify the long-term planning policy and goals for each district. They also identify additional permissible and prohibited uses for the district beyond the overarching zoning policies. The District Plans will inform any strategic planning amendments.



Site and built form requirements

Score	Rank
56.0	4

Zone policies within the *Planning Act* provide mandatory development controls within specific zones or for specific development types including height and gross floor area controls.

The *Planning Act* also introduced supporting documentation including design guides based on certain uses and locations (including development within the city centre and environmentally sensitive land).

The intent of the Design Guides is to achieve consistency across the ACT, as well as better designed buildings and shared spaces that benefit the community. The score for this pillar has slightly improved since the 2017 Report Card.

No specific requirements are identified for retirement villages and any development will be assessed against the same provisions as standard residential housing.

For future retirement villages, consideration of controls for residential uses within the zone policies as well as the Housing Design Guide will inform future development.

Fees and levies

Score	Rank
56.0	5

In 2019, the ACT Government developed a multi-decade infrastructure plan which incorporates timing and indicative costs of future works. Updates are anticipated by mid-2024.

The holistic approach is considered simple and easy to understand. However, the overall rank remains low as the fees are considered high relative to other states.

LDK Amberfield at Weston, Australian Capital Territory

Performance outcomes ACT

Outcome scores for the ACT are mostly unchanged since the 2017 Report Card. An improvement in consistency and progressiveness is justified by major reform, though the impact for retirement villages will be clearer once put to the test.

Consistency

The new Territory Plan focuses on creating consistent planning controls across the ACT. Under the old plan, consistency was still rated highly given that previously there was just a single plan for all areas.

Certainty

The certainty score has remained the same though achieving a lower rank due to the improved performance of another jurisdiction. The proposed developer licensing and rectification regime is a backward step adding excessive regulation.

Progressive

The introduction of the Design Guides is a major change that is intended to facilitate good built form outcomes, so this is progress.

Efficiency

The ACT planning system is inefficient and weighed down by bureaucratic processes, including delays associated with requests for information. Efficiency should improve with less reliance on the design review processes and panels as the Design Guides become a key reference.

Clarity

There is no change to the clarity score though a drop in rank. It is reasonable to expect industry and the broad development sector is likely to seek clarity on elements as they work with the new plan and guides.

	Consistency	Certainty	Progressive	Efficiency	Clarity
Score	63.0	55.1	47.0	41.5	48.0
2024 rank	3	3	5	6	2
2017 rank	3	2	5	6	1

New South Wales

Overall score

51.2

Rank

2

State population[13]

8,345,013

State population 75+ years[13]

2023	2040
673,085	**1,171,623**

Proportion of population 75+ years[13]

2023	2040
8.1%	**11.7%**

Current population 75+ years in oversized dwellings[14]

473,770

Affordability[15]

59.0% more affordable

Average two-bedroom ILU price in Sydney compared to median house price in the same postcode

Industry sentiment

Though some progress has been made, NSW remains the most complex planning and approvals system in Australia with over 500 planning schemes in operation. It is notoriously inefficient for assessing development applications, typically taking years for assessing new, larger-scale villages as well as redevelopments.

Feedback on the new *State Environment Planning Policy (Housing) 2021* (Housing SEPP) is generally positive.

Industry is largely welcoming of the new Housing SEPP's provisions for seniors' housing and the introduction of an SSD pathway for seniors' housing when co-located with aged care facilities, however the removal of the dedicated seniors housing SEPP has left some concerned about the effectiveness of the new model.

The height and density bonuses are positive though not always practical, and generally it is helpful to have definitive height and floor space ratio controls.

Competition with other land uses leads to a lack of retirement villages in areas of demand.

The feasibility of retirement village projects is weakened by a combination of factors unique to industry. This issue is more acute in NSW due to the scarcity of sites and very high land costs relative to other states.

Industry would like to see affordable housing type bonuses extended to retirement villages.

The industry supports the affordable housing bonus in the Housing SEPP that provides an increase floorspace when developing at least 10 per cent of gross floor area (GFA) as affordable housing.

As other housing types receive more incentives through SEPPs, it serves as a disincentive to the retirement village sector, decreasing viability against these housing types.

Complexity and delays create additional costs.

Planning is complex in NSW, requiring more resources and costs relative to planning in most other states. The many layers, environmental issues and negative community sentiment create complexity.

Planning context

Since the 2017 Report Card, the NSW Government has heavily focused on new policies to accelerate housing development.

In addition to seniors' housing, the Housing SEPP contains provisions for build-to-rent, social, affordable co-living, boarding houses as well as other accommodation.

Reforms have been introduced to incentivise the supply of diverse and affordable housing in well serviced areas. The Housing SEPP will be amended to include new provisions for the Transport Oriented Development (TOD) program initially focusing on eight metro and rail station precincts in metropolitan Sydney, eventually extending to 37 stations. New planning controls in these precincts will facilitate greater density applying to residential apartment buildings, though not seniors' housing.

How are retirement villages identified in the NSW planning system?

In NSW retirement villages are referred to as 'seniors' housing' which is defined to include:

- **Residential care facilities (RACF)** – generally referred to as nursing homes or aged care homes with residents receiving full-time care
- **Independent living units (ILU)** – apartments or villas for seniors and people with disability where residents can live independently. Previously referred to as 'self-contained dwellings'
- **Hostels** – includes single or shared residential accommodation staffed by support workers.

The pillars NSW

Retirement and policy direction

Score	Rank
43.0	1

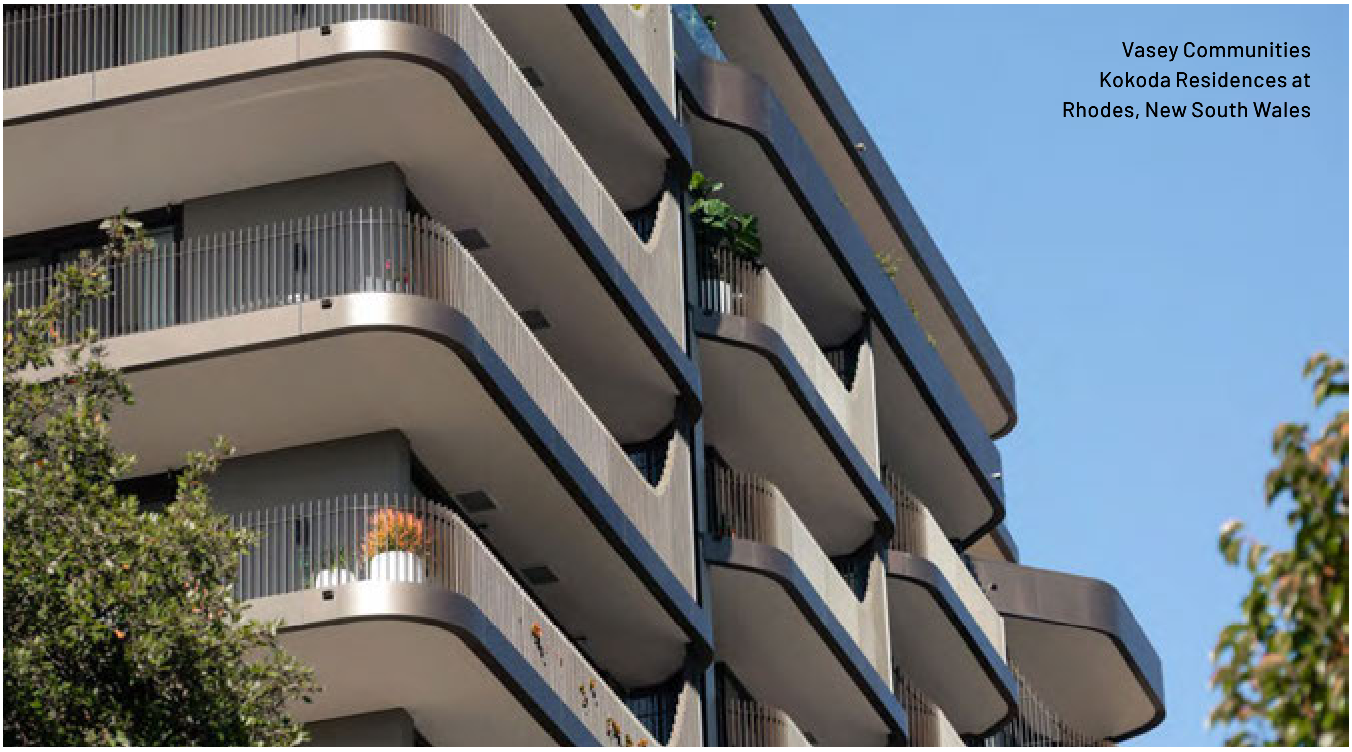
In the last five years, the NSW Government has refreshed the policy for seniors' housing and remains the only jurisdiction with a state planning instrument for retirement villages in place.

While leading the table, a score of 43/100 is hardly a ringing endorsement of what NSW has in place, let alone what it means for other states.

In November 2021, the planning provisions for seniors housing were transferred from the *State Environmental Planning Policy (Housing for Seniors or People with a Disability) 2004* (Seniors SEPP) to the *State Environmental Planning Policy (Housing) 2021* (Housing SEPP) which provides provisions to facilitate and incentivise a range of housing types.

Benefits of the Housing SEPP are:

- Facilitates the development of retirement villages in NSW in locations where otherwise it would not be permitted under local planning controls
- Sets specific provisions for both ILUs and aged care facilities that if complied with, prevent the consent authority from requiring more onerous standards for those matters
- Creates a level playing field as developments need to comply with the same set of rules and principles.



Vasey Communities
Kokoda Residences at
Rhodes, New South Wales

Legislative framework

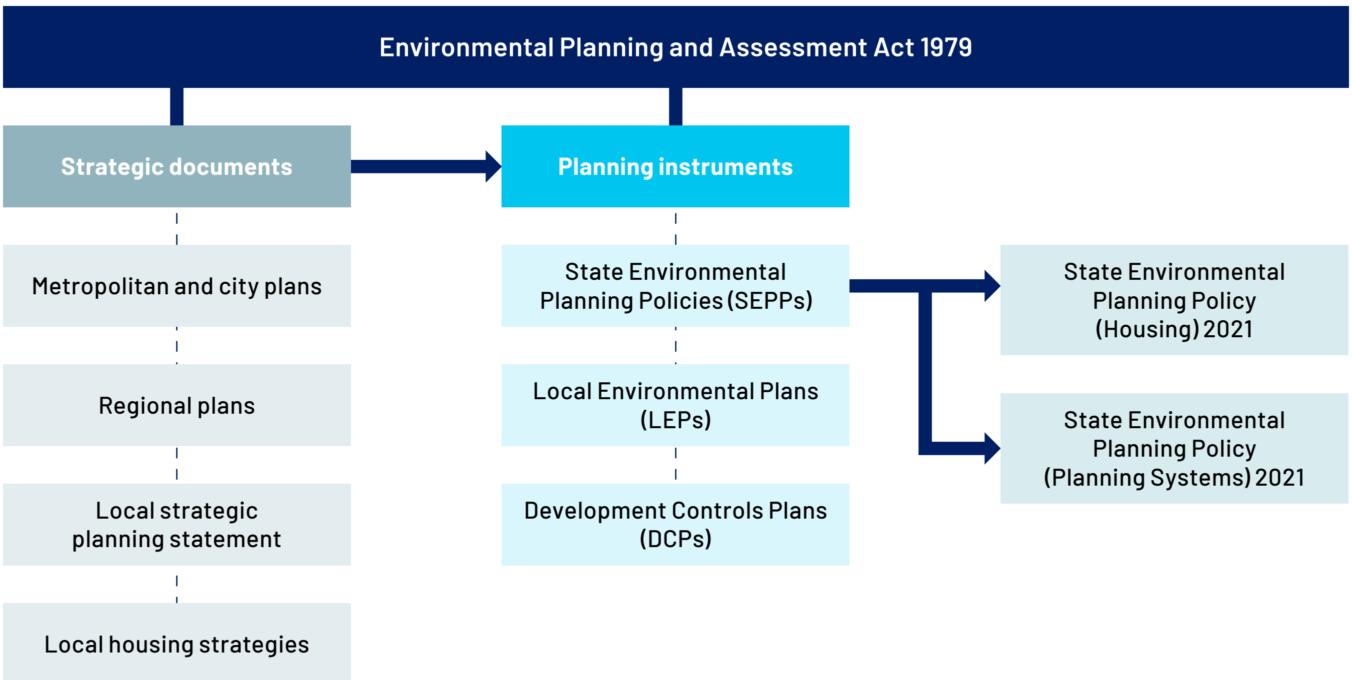
Score	Rank
47.0	4

As part of the reforms, the Housing SEPP made changes to planning rules for seniors' housing to ensure that it meets industry standards and community expectations.

Some of the key changes included:

- New prescribed zones (including rural, residential, employment and special use zones) where seniors' housing is permitted and the removal of site compatibility certificates, which added unnecessary complexity
- Bonus floor space incentives to encourage seniors' housing developments in higher density areas
- The definition of GFA and height were also updated to align with the standard definitions across NSW
- A new SSD pathway for seniors' housing for projects worth more than $30 million, or more than $20 million outside Greater Sydney. While the SSD pathway streamlines the process and maintains consistency across the state, there is higher upfront costs and additional documentation required compared to local development application process. Councils are also still involved in the process and the Department of Planning still considers any comments raised by councils, government agencies and public submissions.

The state has also recognised that applications are moving slowly due to a lack of planners and the overall complexity of legislation. The NSW Government introduced the Planning Delivery Unit (PDU) to provide additional resourcing for applications stalled in the system.



Site and built form requirements

Score	Rank
58.0	3

Recent reform to the Housing SEPP included the introduction of the following incentives for retirement villages:

- For development involving ILUs: an additional 15 per cent of the maximum permissible floor space
- For development involving a residential care facility: an additional 20 per cent of the maximum permissible floor space
- For development involving ILUs and residential care facilities: an additional 25 per cent of the maximum permissible floor space.

This works well on sites which already allow for higher densities but generally cannot be completely utilised on sites in lower density areas. This is because the additional floor space can only result in one additional storey above the relevant height control.

A new Seniors' Housing Design Guide was also released in November 2023 to help inform design and assessment of seniors' housing proposals. The guide aims to override local controls which impede developing seniors' housing in residential areas by providing guidance on story, atypical form and scale of housing in developing and established neighbourhoods.

Fees and levies

Score	Rank
53.3	6

Under the NSW planning system, councils can collect contributions from operators to fund essential infrastructure needs. Contributions differ across council areas with rates based on the estimated development costs and infrastructure needs of the local community.

A statewide Housing and Productivity Contribution was introduced in 2023 for future development including residential developments where additional dwellings are added to a site.

The importance of retirement living has been acknowledged with exemptions identified for seniors' housing. Notably, the exemption only relates to retirement villages which include aged care housing. To help lower fees an exemption for stand-alone retirement villages should be considered. A more consistent approach to help reduce fees in NSW would be welcomed.

Performance outcomes NSW

Overall, NSW held its top ranking for consistency and certainty, and dropped rank on other outcomes. The updated SEPP has provided some improvements to the process.

Consistency

NSW still outperforms other states on consistency due to being the only jurisdiction with a state planning instrument for retirement villages.

Added consistency should result from use of the Seniors' Housing Design Guide which aims to override local controls that restrict seniors' housing.

Certainty

The level of certainty has improved very slightly owing to new provisions in the SEPP. If the provisions are complied with, there is no case for consent authorities to require the developer to meet additional standards.

The SSD pathway provides more certainty on outcomes and timeframe, though as it is still a recent introduction there is limited experience utilising it.

Progressive

The modernisation of the state planning policy into a new SEPP with new floorspace bonuses shows signs of progressiveness. However, there are no new provisions to facilitate an improvement in design outcomes, and requirements are often prescriptive. The progressive score did not change, though there was an improvement in rank at the expense of another jurisdiction.

Efficiency

Planning pathways are notoriously slow in NSW given the complexity and time associated with referrals and a system under pressure from a lack of planners. Consequently, NSW is now ranked behind all other states in this area. The absence of data available in a consistent format means comparing the efficiency of approvals between states for retirement villages is not practical, however the industry feedback obtained through this report matches this sentiment.

Clarity

There is a slight improvement in the clarity score due mainly to the detailed direction provided in the SSD pathway.

	Consistency	Certainty	Progressive	Efficiency	Clarity
Score	69.0	57.0	44.8	40.0	45.0
2024 rank	1	1	7	7	3
2017 rank	1	1	6	5	2

Queensland

Overall score

43.2

Rank

5

State population[13]

5,461,367

State population 75+ years[13]

2023	2040
412,370	756,566

Proportion of population 75+ years[13]

2023	2040
7.6%	11.4%

Current population 75+ years in oversized dwellings[14]

282,240

Affordability[15]

43.0% more affordable

Average two-bedroom ILU price in Brisbane compared to median house price in the same postcode

Industry sentiment

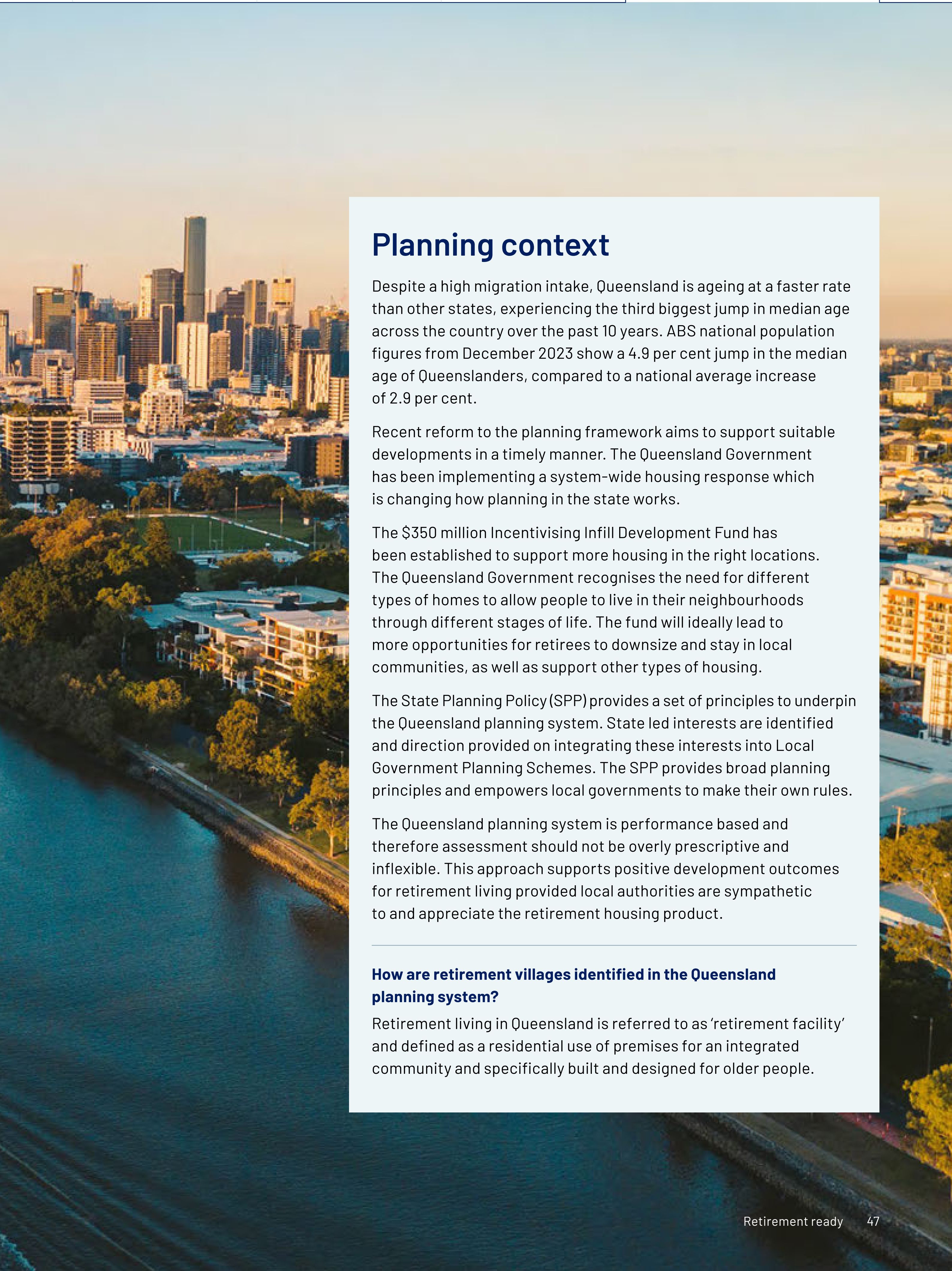
During industry engagement for the 2017 Report BCC was highlighted for its leadership supporting the development of retirement facilities.

Additional height incentives and the ability to develop on church land have been well received by industry.

Previous BCC policy to allow development on recreation land has since been removed. The policy opened up new site opportunities and was effective in helping industry make feasibilities work. Retirement villages and recreation facilities were also seen as compatible and complementary uses.

The policy reversal is a major backward step as the feasibility of retirement facility developments is significantly eroded. It effectively slows the addition of new age-friendly housing in areas of high need.

With pressure on all levels of government to increase housing supply, there is hope that retirement villages will be valued as part of the solution.



Planning context

Despite a high migration intake, Queensland is ageing at a faster rate than other states, experiencing the third biggest jump in median age across the country over the past 10 years. ABS national population figures from December 2023 show a 4.9 per cent jump in the median age of Queenslanders, compared to a national average increase of 2.9 per cent.

Recent reform to the planning framework aims to support suitable developments in a timely manner. The Queensland Government has been implementing a system-wide housing response which is changing how planning in the state works.

The $350 million Incentivising Infill Development Fund has been established to support more housing in the right locations. The Queensland Government recognises the need for different types of homes to allow people to live in their neighbourhoods through different stages of life. The fund will ideally lead to more opportunities for retirees to downsize and stay in local communities, as well as support other types of housing.

The State Planning Policy (SPP) provides a set of principles to underpin the Queensland planning system. State led interests are identified and direction provided on integrating these interests into Local Government Planning Schemes. The SPP provides broad planning principles and empowers local governments to make their own rules.

The Queensland planning system is performance based and therefore assessment should not be overly prescriptive and inflexible. This approach supports positive development outcomes for retirement living provided local authorities are sympathetic to and appreciate the retirement housing product.

How are retirement villages identified in the Queensland planning system?

Retirement living in Queensland is referred to as 'retirement facility' and defined as a residential use of premises for an integrated community and specifically built and designed for older people.

The pillars QLD

Retirement and policy direction

Score	Rank
12.5	2

As with all states except NSW, there is not a state policy for retirement.

The SPP acknowledges the need for housing diversity in response to changing demographics including ageing.

The principles-based policy informs local planning schemes and is considered when assessing development.

There are broad housing targets and guidelines to encourage a mix of housing without specific reference to retirement facilities.

Local provisions are available in some council areas including BCC, providing specific incentives for retirement facilities to encourage development.

Legislative framework

Score	Rank
42.9	6

The major change in the state is the introduction of the *Housing Availability and Affordability (Planning and Other Legislation Amendment) Act 2024* (the HAAPOLA Act). The HAAPOLA Act improves the state planning framework's response to housing supply challenges.

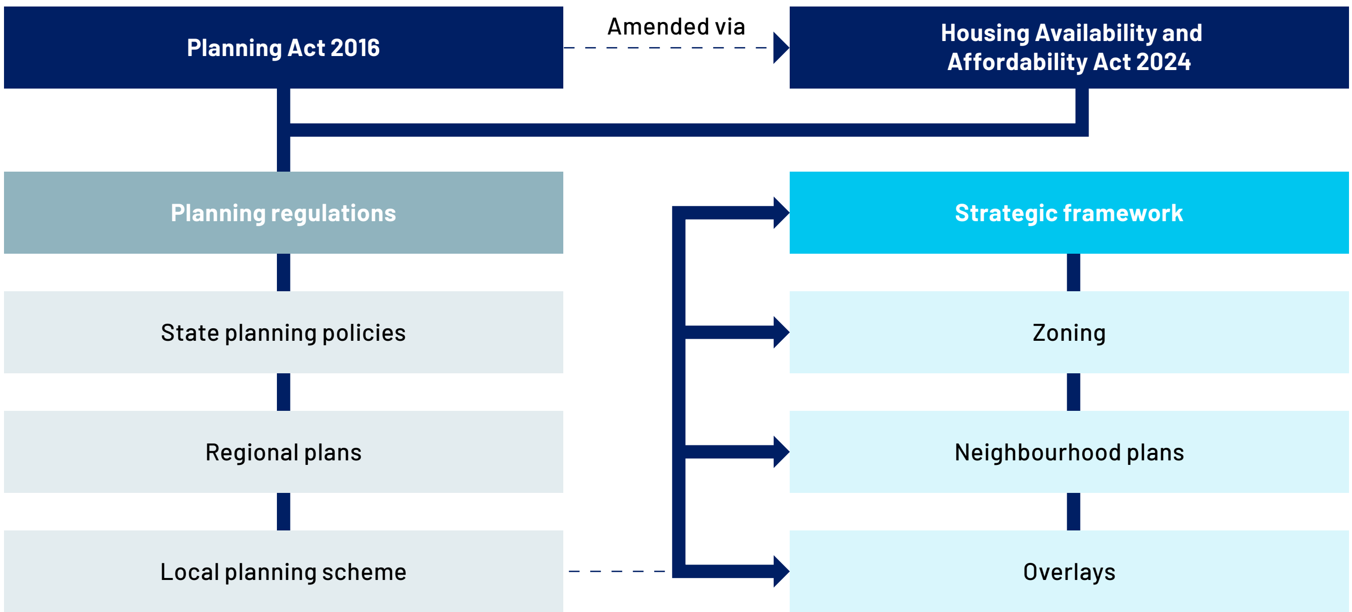
The provisions for targeted interventions to facilitate new housing delivery in growth areas include:

- The ability for the Minister for Planning to acquire land and create an easement for critical infrastructure to unblock development in the right locations
- A new and streamlined state led assessment process to facilitate development that is a priority of the state
- A new zone to help local governments better sequence development and allow for detailed land use planning to occur.

Other amendments include:

- Modernising the operation of Development Control Plans within the planning framework and ensuring existing approvals are valid
- Temporarily removing the requirement for operators to obtain a development approval for particular development
- Modernising public notice and submission requirements
- Reduced regulatory burdens for state and local governments by improving processes.

Priority Development Areas (PDAs) are parcels of land identified for specific accelerated development with a focus on economic growth. Benefits are a fast-tracked planning pathway and responsiveness to market and community needs. PDAs can be declared for precincts with retirement facilities as the case study on page 45 illustrates. While this is a positive pathway many locations industry is trying to develop in are not in PDAs.



Site and built form requirements

Score	Rank
53.4	5

Local provisions for retirement villages are available in a number of council areas in Southeast Queensland including BCC, Logan City Council, Sunshine Coast Council and the Somerset region.

These provisions allow for flexibility in height controls where aged care facilities are provided including up to two additional storeys in high density areas.

Specific controls are also set for key metrics including building separation and setbacks, landscaping and car parking provisions.

These work similarly to the NSW legislation to encourage retirement facilities over standard residential but is more flexible given the performance-based approach rather than strict compliance with numerical controls.

While the provisions are positive, they are not state based and controls applied by councils are not consistent throughout Queensland. Hence why the score and rank are not higher.

BCC deserves commendation for making the planning process easier. This includes a code assessable pathway in low to medium residential areas which does not require community consultation. Given the impact on assessment timeframes arising from community feedback, this is a positive step and should be considered for other areas.

Fees and levies

Score	Rank
83.3	1

This universal and simple approach to fees and levies provides clarity, consistency and certainty for the industry accounts for the highest score and number one ranking.

Queensland continues to apply standard rates and charges calculated on GFA square metres and per unit charges. Local Government Infrastructure Plans (LGIPs) identify the infrastructure necessary to service a local area and are incorporated into the local planning scheme. Incentives relating to infrastructure charges for retirement facilities have expired since the 2017 Report Card.

Case study

Project Name

Parkside Carindale

Developer

Aveo

The project

The existing site was occupied by low level 1980s villa style duplexes and triplexes. It is located opposite Westfield Carindale and the bus interchange, less than a 5-minute walk from the site.

The previous masterplan comprised 107 units, including a mix of ILUs and serviced apartments.

Aveo re-masterplanned to make better utilisation of the site and increase the yield, increasing the yield five-fold.

The new masterplan comprises 405 ILUs across 6 buildings, new amenity and a 140 bed residential aged care facility. Stages 1, 2, and 3 are complete delivering 197 ILUs and community amenity.

The planning positives

BCC understood the merit of increasing density on the site and facilitated this by increasing the height controls. The site is well located near shopping, services, entertainment and transport amenity, all of which do not require a car to access.

The additional height was not out of character with the nearby Westfield Carindale and other buildings, a factor that influenced the assessment.

BCC incentives for reduced infrastructure charges although no longer available were leveraged and helped to improve the feasibility.

Project outcomes

The development provided local residents with the opportunity to stay in a familiar area where they have connections, while moving into an age-appropriate home and obtaining the social and health benefits that come with life in a retirement village.

This project demonstrates flexibility by local councils, resulting in more than 200 older residents being able to find suitable homes, freeing up housing for the general residential market.

Challenge response relevance

- Merit based
- Height bonus

Demonstrated outcomes

- Certainty
- Progressive
- Clarity

Case study

Project Name

Southport Retirement

Developer

Bolton Clarke

The project

The site in Southport on the Gold Coast was previously the Gold Coast Public Hospital. Bolton Clarke has acquired a circa 4,000 square metre lot in the Queen Street Village development. The site is in a high amenity area near specialist medical services, Ferry Road Markets and the Gold Coast Light Rail.

Planning approval has been secured for approximately 200 independent and assisted living apartments in addition to 72 residential aged care beds.

The mixed-use masterplanned project will be developed over several years with Stage 1 of the development comprising a hotel, cinema, gym, childcare, supermarket and a variety of food and beverage outlets having already commenced operating.

The planning positives

The Gold Coast City Council's vision for the site has always been for it to become a flagship mixed-use site, demonstrating how sites can be activated with the right mix of residents, services and amenity. There were no prescribed height limits and high density was encouraged.

The council recognises the Gold Coast is an attractive location for retirees and therefore it is important to ensure there is appropriate housing and communities to fulfil the demand.

The site is a Priority Development Area (PDA), and therefore assessed by state government officers.

Project outcomes

Construction has not yet commenced partly due to construction cost escalations.

The community, when built, will offer residents ultimate convenience, a walkable lifestyle, easy access to medical services, social and health benefits in a highly desirable locations close to beaches and the Southport Spit.

The community is not just for on-site residents and will be a hub for daily food shopping and entertainment.

Challenge response relevance

- Government allocation of site in urban renewal area
- Merit based
- Height bonus

Demonstrated outcomes

- Certainty
- Progressive
- Clarity

Performance outcomes QLD

There has not been any major reforms relevant to facilitating the development of retirement facilities in Queensland, though there are ongoing updates to local planning schemes to support growth generally. Case studies of developments are included to demonstrate good planning outcomes.

Consistency

There have been no changes in the planning framework to facilitate improved consistency. There are good provisions for retirement facilities in some local government areas which do not apply statewide. The main issue is that each local government area still regulates its zoning which is not defined consistently.

Certainty

Queensland performs better than a few states and the score has not changed. The experience is that where there is appropriately zoned land the applications are relatively straightforward, however more complex cases yield mixed experiences.

Progressive

There is no change to the score, though the rank has dropped as other states improved including SA and WA.

The Queensland planning system is performance based and technically should support flexibility and innovation. However, without good understanding of the retirement housing product in some areas, there are still barriers to obtaining planning approval.

The Incentivising Infill Development Fund is progressive and may assist industry to deliver more retirement villages in the future.

Efficiency

Relative to other states the planning process is generally viewed as efficient. The score is unchanged while the rank has improved as efficiency in some other states worsened.

Clarity

Local planning schemes are generally regarded as user friendly. The score has improved since the 2017 Report Card, an indication that updates made to planning schemes have been practical and clear.

	Consistency	Certainty	Progressive	Efficiency	Clarity
Score	32.8	44.0	46.1	49.1	44.0
2024 rank	7	4	6	2	4
2017 rank	7	4	4	3	6

South Australia

Overall score
58.1

Rank
1

State population[13]
1,853,064

State population 75+ years[13]

2023	2040
172,615	282,904

Proportion of population 75+ years[13]

2023	2040
9.3%	13.6%

Current population 75+ years in oversized dwellings[14]
126,160

Affordability[15]
44.0% more affordable

Average two-bedroom ILU price in Adelaide compared to median house price in the same postcode

Industry sentiment

It is no surprise that SA ranks first overall and on most key outcomes. Given recent planning reforms have focused on performance-based outcomes, it is a shining light compared to other states that require more time and resources to work though. Without debate NSW is the most frustrating system with over 500 planning schemes to SA's one.

The SA planning system is easier to navigate because of a simple structure, and consistency of application state-wide. It is efficient, with six months a realistic timeframe for receiving approval for a retirement village.

Since the 2017 Report Card, bold leadership on planning reform has led to creating a planning system that is the gold standard for being user- friendly and demonstrates how planning can be facilitated. Other states should take note.

There are feasibility challenges as in other states, however SA's slow population growth continues to see projects and resources deployed in faster growing cities. Construction costs are similar to other capital cities, though lower median house prices limit what customers can or are prepared to pay for new ILUs. As median house prices grow across Adelaide, this may see a shift in market demand for retirement villages.

Planning context

SA has undergone significant planning reforms in the last three years and transitioned to the *Planning, Development and Infrastructure Act 2016* and *Planning, Development and Infrastructure (General) Regulations 2017.*

This legislation replaced and consolidated 72 complex council-based development plans into a single comprehensive Planning and Design Code (The Code), providing one set of easy to understand planning rules across the state.

A feature of the reform is the integration of technology to provide one centralised place for all SA's planning and development matters, an electronic planning system to simplify processes and move information more quickly via an online ePlanning system.

While local councils still have assessment authority for projects under certain value and complexity thresholds, the performance-based assessment system has led to more consistency of application across the state.

Several definitions relate to retirement villages in SA which are generally referred to as 'retirement facilities'.

How are retirement villages identified in the SA planning system?

The Planning and Design Code identifies a 'retirement facility' as a '*facility operating under the regulatory framework of the Retirement Villages Act 2016.*'

The pillars SA

Retirement and policy direction

Score	Rank
12.5	2

As with all states except NSW there is not a state policy for retirement villages in SA and hence the score is consistent with other states.

The State Planning Policies, first released in January 2019, are the highest order policy document and seek to guide how and where land is developed. Policies aim to promote resilience, encourage adaptation, minimise risk from hazards and ensure health and safety of communities in the long term.

The Code incorporates specific provisions relating to the development of retirement villages in urban areas, including consideration of communal open space, car parking dispensations, parking for small electric powered vehicles and accessibility to cater for a range of mobility types. The new Code has delivered a more consistent planning framework and specific provisions for retirement villages.

The Code also offers some height incentives in relation to retention/adaptation of heritage buildings as well as height incentives on significant/catalyst development sites, but does not offer height incentives for retirement villages.

Ech Encore Apartments at Modbury, South Australia

Legislative framework

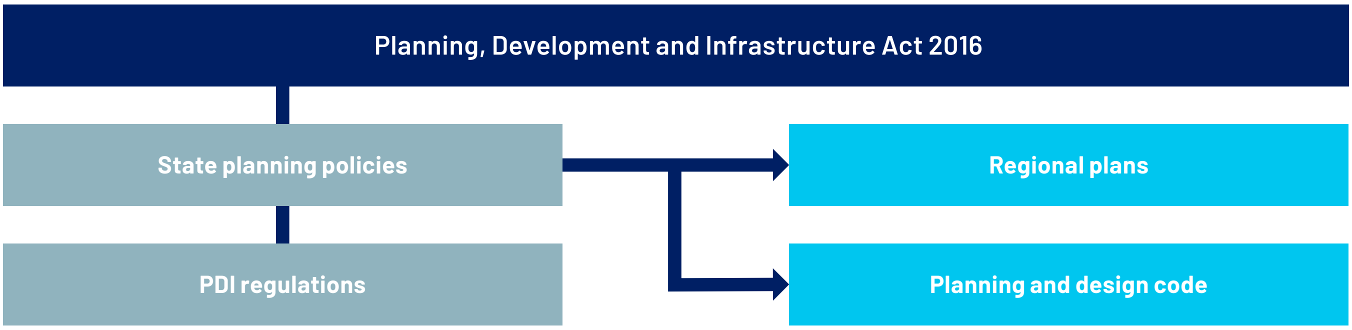
Score **60.0**

Rank **1**

Similar to other states, legislation reform has resulted in the State Planning Commission being designated as the consent authority for larger inner metropolitan developments over four storeys within the design overlay. This applies to developments over $10 million in the City of Adelaide, and developments over $3 million in specified locations.

A practice direction for outline consents has also recently been implemented which allows the State Planning Commission to grant an outline consent for certain aspects of a development including building height, building envelope, access, land use, density and open space without full details being provided. This approach may be used to provide greater certainty to an applicant regarding specific aspects of a proposed development at an earlier stage, without having to provide the same level or extent of information required to obtain planning consent.

If an outline consent is granted, and a subsequent application (planning consent) is made with respect to the same development, a relevant authority will only assess those aspects of the application that were not granted through the outline consent. These changes apply to all development types including retirement villages.



Site and built form requirements

Score	Rank
60.5	2

Site and built form requirements for retirement villages are derived from the Code, which sets out Performance Outcomes (POs) and Deemed-to-Satisfy (DTS) criteria.

The Code also specifies some additional general (not zone specific) criteria for retirement villages located within urban areas which takes into consideration:

- On-site movement for residents not being restricted by the slope of the land
- Universal design features are incorporated into the design to ensure for ageing in place and difference in mobility levels
- Safe, convenient access and movement for residents including lift access to all units and specifications for passenger, pedestrian and passing areas
- Size and functionality of communal open space and the ability to provide communal areas of open space in lieu of private open space
- Reduced parking rates for retirement facilities compared to standard residential dwellings.

The recently introduced Accommodation Diversity Code Amendment (The Code Amendment) proposes refinements to support a range of diverse housing types. Proposed policies for retirement facilities are included to ensure they are contemporary and not constrained by building height in strategic locations.

Fees and levies

Score	Rank
66.7	4

SA has a simple to follow fee schedule for lodgement fees, assessment planning fees and building fees.

Following a pilot program in 2017, infrastructure schemes are a new planning mechanism being introduced across the state that will supplement existing arrangements such as planning conditions, deeds and bonding arrangements. These schemes will not typically be relevant to the development of retirement villages, however they may be applicable where retirement villages are incorporated into larger development schemes.

After the data had been collected for this report, the South Australian Government introduced a new infrastructure levy on greenfield and in-fill blocks. The impact to industry is yet to be fully assessed, but exemptions have not been extended to include retirement villages unlike some other forms of medium-density housing. Limited applications of these exemptions may negatively impact viability.

Performance outcomes SA

In the 2017 Report Card SA was the highest scoring and ranked jurisdiction. The new planning changes are designed to drive improvements in consistency, certainty, progressiveness, efficiency and clarity. Progress is reflected in improved scores and SA defending its number one ranking for key outcomes.

Consistency

The Code applies state-wide and has led to a more consistent planning framework. Specific policies for retirement villages means that across the state assessment criteria is the same.

Certainty

Consistency drives certainty. Further, industry feedback is that most councils take a pragmatic approach to assessment which provides a level of certainty. The practice of issuing outline consents is a good outcome for industry certainty and efficiency. SA comes a narrow second to NSW, only because NSW has a state-wide instrument specifically for retirement villages.

Progressive

No other planning system has made the leaps and bounds achieved by SA and therefore deserving of the highest score and rank.

Highlights are the consolidation of multiple plans to one code that applies across the state, reducing the number of zones to 65 from 1,500, continuous visibility of the assessment process via the online system and countdown clocks that keep assessors accountable.

Importantly retirement villages are performance assessed which means they are assessed on individual merit against The Code. This practice was already in place for the previous report card, and so SA was already an exemplar in this respect.

Efficiency

Authorities should deal with an application within 20 to 60 business days under regulations making this a very efficient system relative to most states and justifying the highest score and rank.

Clarity

The use of a single code (The Code) has provided one set of easy-to-understand planning rules for use across the state supporting an improved rank and the highest rank overall.

	Consistency	Certainty	Progressive	Efficiency	Clarity
Score	65.0	56.0	58.0	65.0	50.0
2024 rank	2	2	1	1	1
2017 rank	2	3	2	1	3

Case study

Project Name

Southern Cross Care Carmelite

Developer

Southern Cross Care (SA, NT & Vic)

The project

Carmelite, by Southern Cross Care (SA, NT & VIC) Inc (SCC), occupies a state heritage listed parcel of land in Myrtle Bank, approximately seven kilometres southeast of the Adelaide City Centre.

SCC proposed a five-storey building with integrated aged care and retirement living. Aged care occupies the two levels above the basement, and retirement living apartments are located on the upper three floors. This proposed height exceeded the existing two storey height controls.

The heritage building was retained as part of the overall development.

The planning positives

Council was supportive of SCC adding height in a zone where normally a maximum of two levels was permissible.

Council's flexible nature was informed by their consideration of the surrounding context where there are larger scale buildings to the north, west and south of the site.

Local authorities considered how the proposed building would present in the context and were comfortable with the additional height.

Council could see the site could serve more than just on-site residents and had a role servicing broader community needs. To facilitate this, it was rezoned for some commercial development to complement the proposed uses.

The current Planning and Design Code facilitates good outcomes like this as any assessment should consider the context of the location. Noting however, this project was assessed prior to the introduction of the latest code.

Project outcomes

A total of 38 contemporary retirement living apartments, 70 residential aged care beds and a community health and fitness centre, enabling older residents to live in age-friendly housing in a supportive community, close to shopping centres and other amenities.

The development meant that SCC could improve its operational efficiencies as Carmelite joined a cluster of existing SCC operations including aged care, retirement villages and health services located on adjacent sites.

Challenge response relevance

- Merit based
- Height bonus

Demonstrated outcomes

- Certainty
- Progressive
- Clarity

Tasmania

Overall score
42.8

Rank
6

State population[13]
573,479

State population 75+ years[13]

2023	2040
54,717	88,859

Proportion of population 75+ years[13]

2023	2040
9.5%	14.3%

Current population 75+ years in oversized dwellings[14]
40,040

Affordability[15]
24.0% more affordable

Average two-bedroom ILU price in Tasmania compared to median house price in the same postcode

Industry sentiment

Authorities are seen to encourage development in Tasmania which is a major positive for industry.

While the scores have improved for Tasmania it still ranks towards the bottom on several indicators including clarity and consistency. No specific mention of retirement villages in policies is seen as a negative.

Reforms rolling out the same planning rules state-wide are seen as progress and may lead to future improvements for both these outcomes.

Feasibility is more of a development barrier in Tasmania compared to the eastern states and states due to high construction costs, and the customers' ability to afford the prices that are necessary to make projects feasible.

Planning context

The Tasmanian Government has been advancing planning reform to make the system more efficient with a stronger emphasis on strategic planning. The 2024-2025 budget allocated funding to continue reforms and amend Regional Land Use Strategies to consider land for residential development. Further, the draft Greater Hobart Plan has advanced efforts to improve strategic planning.

The rollout of the Tasmanian Planning Scheme (The Scheme) continues, aiming to establish consistent planning rules across the entire state. Work is also underway on developing Tasmanian Planning Policies. This will offer high-level strategic guidance and principles for the planning system and ultimately shape the content and scope of The Scheme.

How are retirement villages identified in the Tasmanian planning system?

The State Planning Provisions identifies retirement villages as a type of residential use which is specifically defined as "use of land to provide permanent accommodation for retired people or the aged and includes communal recreational or medical facilities for residents of the village".

The pillars TAS

Retirement and policy direction

Score	Rank
12.5	2

As with all states except NSW, there is not a policy for retirement villages in Tasmania, and hence the score is consistent with others.

The overarching strategic framework acknowledges the demographic trends towards an ageing population which will require improved aged care services, including residential facilities and home support services.

Retirement villages are identified as a vulnerable use under the State Planning Policy which turns off the ability for this type of development to be considered 'exempt development'. Such developments remove the need for a permit.

Aveo Derwent Waters Retirement Living at Claremont, Tasmania

Legislative framework

Score	Rank
40.0	7

The Scheme was introduced in 2015 to deliver consistency in planning controls across the state. The Scheme consists of both State Planning Provisions (SPPs) and Local Provisions Schedules which give effect to the Scheme at a municipal level.

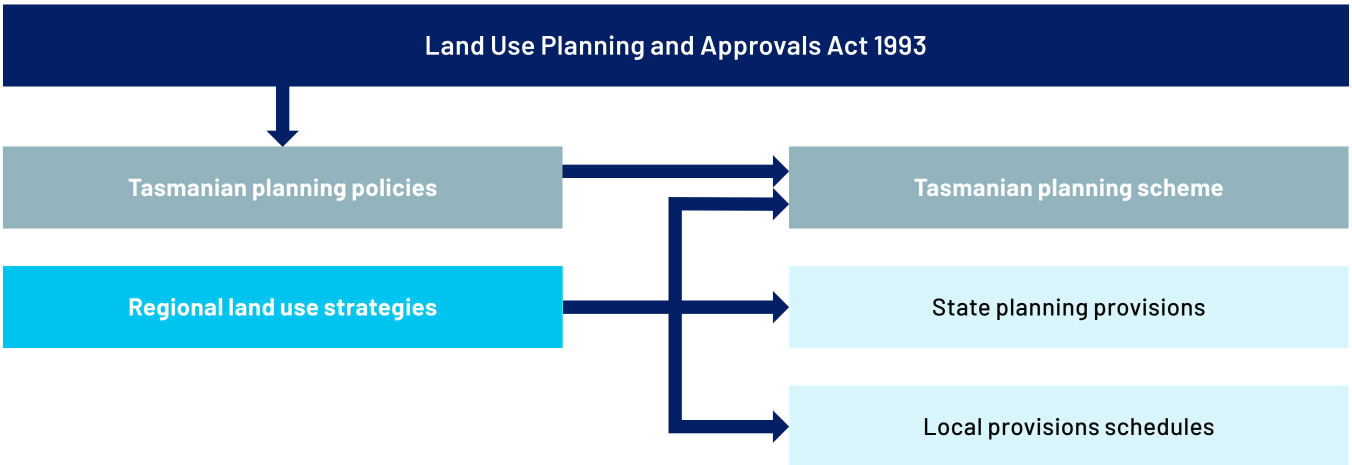
During transition to a Local Provisions Schedule, some municipalities are operating with interim planning schemes including Hobart.

There are no specific policies or controls identified for retirement villages within these local provisions. Across the state, there is focus on setting out the relevant provisions for medium and high-density development, which has relevance to vertical retirement villages.

The Housing Land Supply Act was also updated in 2021 to respond to the high demand for housing in Tasmania, by providing a quicker process for rezoning eligible government land. This process overrides the normal assessment process under the *Land Use Planning and Approvals Act 1993* (the LUPA Act) and allows a Housing Land Supply Order (an Order) to rezone or modify the planning scheme requirements for eligible government land for housing, particularly social and affordable housing.

The LUPA Act sets out the legal framework for the Tasmanian land use planning system, which allows for:

- Tasmanian Planning Policies describe the Tasmanian Government's position on issues such as sustainable development, economic prosperity, and other matters of state interest
- Regional Land Use Strategies set out the long-term strategic planning goals for the three Tasmanian regions
- The Scheme regulates the use, development and protection of land.



Site and built form requirements

Score	Rank
63.3	1

No specific design guidelines are available for retirement villages across Tasmania.

In 2019, the Tasmanian Government announced a project to amend the planning rules in the SPPs to deliver consistent requirements for apartments built across Tasmania. The new requirements are intended to provide a clear pathway for the approval of apartments, through an Apartment Code and encourage good quality design and liveable spaces.

The Apartment Code will be implemented through a future amendment to the SPPs in the Tasmanian Planning Scheme. Design guidelines for medium density residential development in Greater Hobart are being prepared as part of the Greater Hobart Plan, which will apply to retirement villages.

Fees and levies

Score	Rank
83.3	1

The fee structure for planning and building permits is simple, based on costs of development and works unlike some other states where there are layers of fees with complex calculations.

Infrastructure charges in Tasmania are less clear as it is the only Australian jurisdiction without a framework for local government infrastructure contributions embedded in state legislation.

Local governments continue to push for a best practice infrastructure contributions system to be embedded at state level by way of a future SPP amendment.

Performance outcomes TAS

Progress has been made by the Tasmanian Government on planning reforms to make the system more efficient and consistent across the state. If retirement villages were defined in The Scheme that would bring greater clarity and likely improve consistency and certainty.

Consistency

Individual planning schemes are transitioning to the Tasmania Planning Scheme in a similar structure to the Victorian Planning Policy and should improve consistency in the future.

Certainty

When a development meets the standard of 'acceptable solutions' this provides applicants with a good degree of certainty. The lack of clear definition for retirement villages and the potential to be performance assessed most likely accounts for the low rank relative to other states.

Progressive

In the 2017 Report Card Tasmania was the highest scoring jurisdiction for progressiveness and continues to be seen in this light. Industry feedback is very positive about authorities, noting they are collaborative and willing to work with applicants to get a good outcome for the community, and economy.

Efficiency

Tasmania has one of the shortest statutory timeframes for assessment. When combined with development-friendly attitudes from councils which industry has experienced, there seems to be no issues with efficiency. Consequently, there has been a substantial improvement in score and rank since the 2017 Report Card.

Clarity

There is a relationship between certainty and clarity. As long as retirement villages are not defined in the planning scheme there could be a lack of clarity for industry.

	Consistency	Certainty	Progressive	Efficiency	Clarity
Score	37.0	40.5	57.3	49.0	30.0
2024 rank	6	6	2	3	7
2017 rank	6	7	1	7	7

Victoria

Overall score

45.8

Rank

4

State population[13]

6,818,442

State population 75+ years[13]

2023	2040
520,555	951,072

Proportion of population 75+ years[13]

2023	2040
7.6%	11.0%

Current population 75+ years in oversized dwellings[14]

375,000

Affordability[15]

48.0% more affordable

Average two-bedroom ILU price in Melbourne compared to median house price in the same postcode

Industry sentiment

Victoria is ranked fourth overall. The retirement housing product is generally well received by authorities, with favourable height limits in some areas incentivising development and improving financial feasibility. Nonetheless, Victoria is the highest taxing jurisdiction in Australia, with the most number of property taxes and levies in the country.

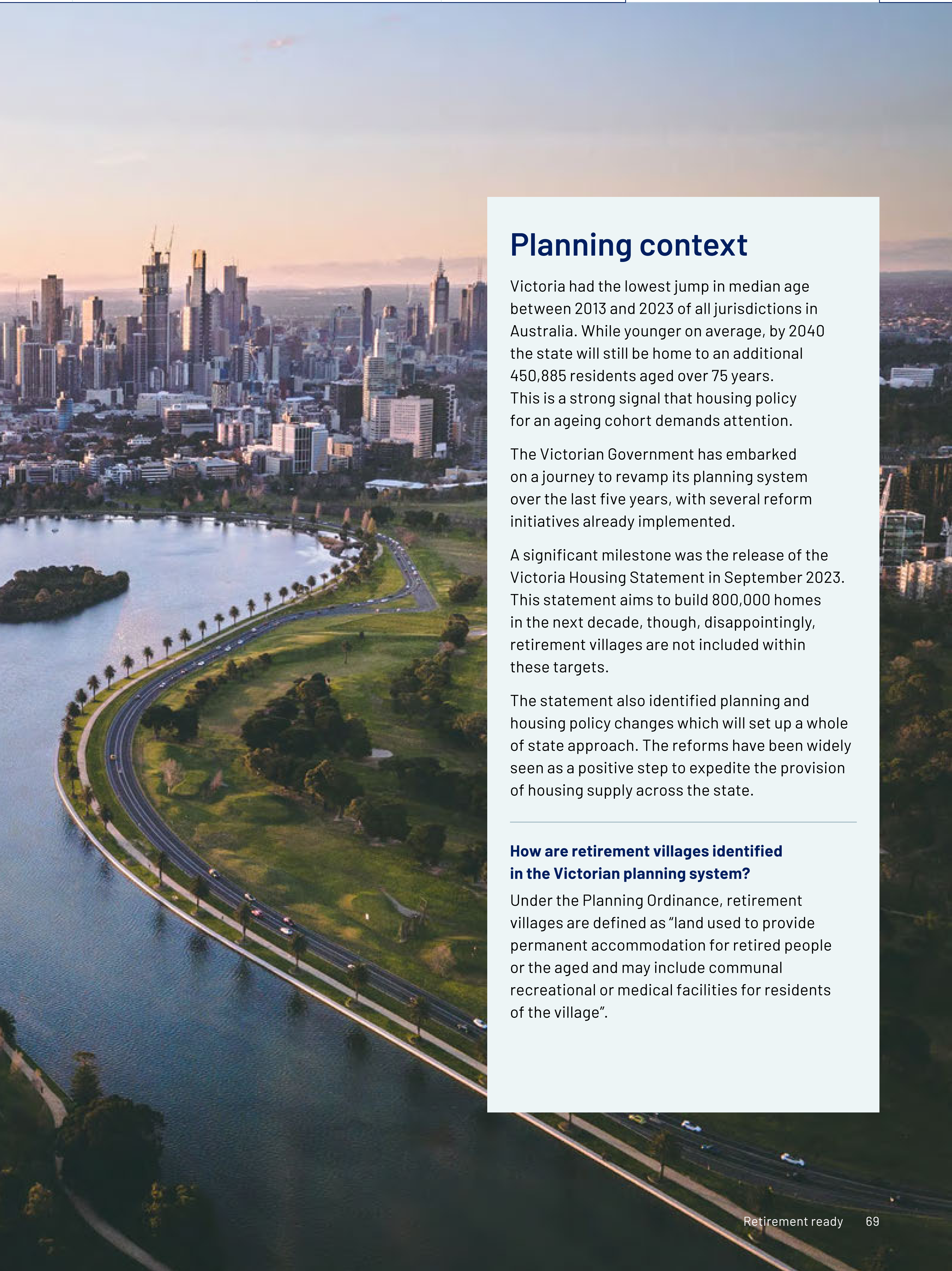
A persistent issue is the perceived over-reliance on the Victorian Civil and Administrative Tribunal (VCAT) for decision making on development applications. Industry is increasingly seeing the impact of negative community influence, with councils being reluctant to approve development for fear of getting constituents offside.

While the use of VCAT provides certainty, it adds unnecessary costs and delays, sometimes more than 12 months, where councils should already be able to assess these projects without issue.

Assessment efficiency is on the decline. The Victorian Government has developed policies to reduce pressures on local assessing authorities, though it is too early to determine the impact on industry.

The most notable program is the introduction of the Development Facilitation Program (DFP). This minister-led approval process has caught the attention of industry, who hope it will address the issue noted above, since it takes away third-party appeal rights.

To date there is insufficient application of the pathway to comment on its impact for retirement villages. On a positive note, it shows there is a willingness to speed up assessment timeframes to get more housing on the ground.



Planning context

Victoria had the lowest jump in median age between 2013 and 2023 of all jurisdictions in Australia. While younger on average, by 2040 the state will still be home to an additional 450,885 residents aged over 75 years. This is a strong signal that housing policy for an ageing cohort demands attention.

The Victorian Government has embarked on a journey to revamp its planning system over the last five years, with several reform initiatives already implemented.

A significant milestone was the release of the Victoria Housing Statement in September 2023. This statement aims to build 800,000 homes in the next decade, though, disappointingly, retirement villages are not included within these targets.

The statement also identified planning and housing policy changes which will set up a whole of state approach. The reforms have been widely seen as a positive step to expedite the provision of housing supply across the state.

How are retirement villages identified in the Victorian planning system?

Under the Planning Ordinance, retirement villages are defined as “land used to provide permanent accommodation for retired people or the aged and may include communal recreational or medical facilities for residents of the village”.

The pillars VIC

Retirement and policy direction

Score	Rank
12.5	2

There is not a policy for retirement living in Victoria, and hence the score is consistent with other states.

Notwithstanding, it is not entirely overlooked as Victorian Planning Provisions (VPP) encourages housing diversity within developments including retirement villages. The policy also encourages the development of retirement villages within 400 metres walking distance of an activity centre.

The VPP provides councils with the opportunity to develop their own policies for the development of retirement villages. Recent proposals generally include both aged care and retirement villages to capitalise on available bonuses.

Plan Melbourne 2050 refers to an ageing population in Melbourne, however it does not include targets for specific housing to accommodate the growth.

Legislative framework

Score	Rank
48.8	3

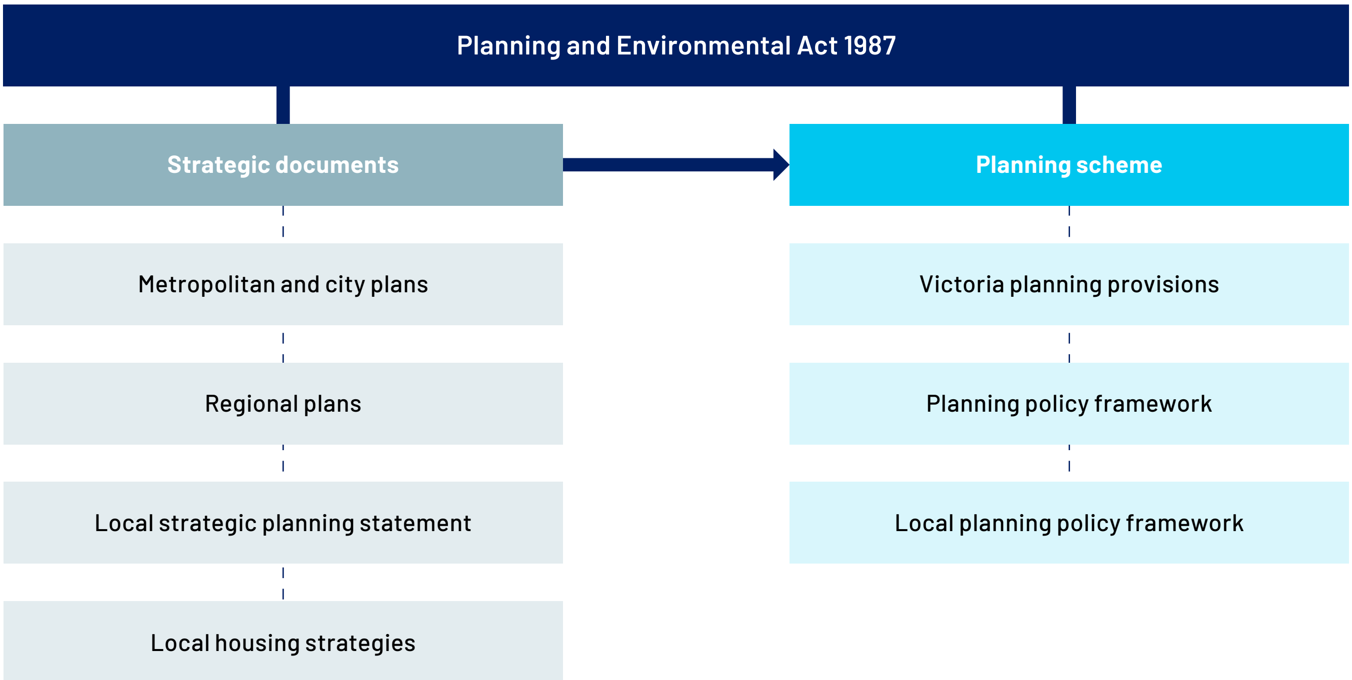
The complexity associated with the number of overlays in Victoria remains a sticking point in the planning system. To clear the backlog of planning applications under assessment, planning reforms have been introduced to streamline assessment pathways.

Fast track permit applications via the VicSmart program has been expanded in scope providing a 10-day permit process for low-impact, straight forward applications. While this does not relate directly to retirement villages, in theory it removes smaller applications from the system. This approach aims to speed up decision-making as matters compliant with these residential standards will no longer be considered by VCAT.

In 2020, the state government also introduced the Development Facilitation Program (DFP) to speed up the assessment and determination of priority projects across Victoria. The program was expanded in 2022 to expedite planning approvals for larger commercial or residential projects that include affordable housing. The DFP is available for projects valued at $50 million or more in the Melbourne metropolitan area and $15 million or more in regional areas, that include 10 per cent of the development as affordable housing. Retirement villages and aged care facilities are eligible to seek consent under this pathway. If not providing affordable housing, a cash contribution to the value of 3 per cent of the market value of the development goes to the Social Housing Growth Fund. The pathway can therefore be accessed without delivering affordable housing.

The Minister for Planning will be the responsible authority for all DFP applications, with a commitment to a four-month assessment timeframe.

A streamlined planning pathway has been designed to facilitate apartment development designed under the Future Homes program.



Site and built form requirements

Score	Rank
52.3	6

Exercising VPP provisions, some councils permit increased height limits for aged care and retirement villages. Up to 16 metres in height is possible for aged care on land in residential zones where mandatory maximum building heights of between 8 and 11 metres would otherwise apply. The concessions show that some councils are willing to be flexible on controls to support the addition of age-friendly housing options.

Following a pilot program in Maribyrnong, the Victorian Government has implemented the Future Homes program via the VPP.

Future Homes provides ready-made exemplar architectural apartment designs that can access a streamlined planning process. The pathway comprises four phases, with delegated decisions made within 63 business days of referrals to agencies and authorities.

The Future Homes process is available for sites in the General Residential Zone which are close to existing services and infrastructure. Some level of flexibility is available to allow plans to be updated to reflect site constraints.

The current designs mostly allow for up to 15 apartments over three storeys with limited common areas, which does not align with typical retirement living design.

Fees and levies

Score	Rank
76.7	3

Consistency in the application of fees and levies across areas is positive.

Applicants generally know their requirements for contributions and fees as they are calculated on the value of the project. In metropolitan Melbourne the Metropolitan Planning Levy is calculated on the estimated cost of the development for which the planning permit is required.

While there is transparency and an evident relationship between fees, levies and actual infrastructure needs, it is not the experience of all applicants. Nonetheless, this aspect is viewed more favourably relative to other states.

Performance outcomes VIC

The planning reforms identified in the Housing Statement (September 2023) show a shift to a whole of state reform. While not specific to retirement villages these point to an increasingly streamlined planning system. As there are no specific changes for the retirement living industry, outcomes scores are mostly the same.

Consistency

Consistency has not changed since the 2017 Report Card though relative to other states has declined in rank. Most assessments are made within the Local Planning Policy Framework and thus subject to inconsistencies between councils.

Certainty

The certainty score has not changed. In the future some applicants could benefit from greater certainty when utilising the DFP pathway program. The Minister for Planning is responsible for decisions to be delivered in a four-month assessment timeframe.

Progressive

The Future Homes program (not for retirement specifically) demonstrates that planning policy makers are innovating to improve supply and efficiencies.

Efficiency

There has been a drop in the score from 53.1 and falling from second to fourth ranked due to industry experiencing a slower approvals process.

There has been a focus on improving efficiency with new assessment processes designed to unlock planning assessment capacity, which may take time to work through the system and improve performance.

Clarity

The planning system has many layers and along with the inconsistencies experienced across councils leads to a low clarity score the same as the 2017 Report Card.

	Consistency	Certainty	Progressive	Efficiency	Clarity
Score	52.1	40.3	51.3	48.0	37.1
2024 rank	4	7	3	4	5
2017 rank	4	5	3	2	4

Western Australia

Overall score

42.7

Rank

7

State population[13]

2,883,245

State population 75+ years[13]

2023	2040
205,280	394,051

Proportion of population 75+ years[13]

2023	2040
7.1%	11.6%

Current population 75+ years in oversized dwellings[14]

148,200

Affordability[15]

47.0% more affordable

Average two-bedroom ILU price in Perth compared to median house price in the same postcode

Industry sentiment

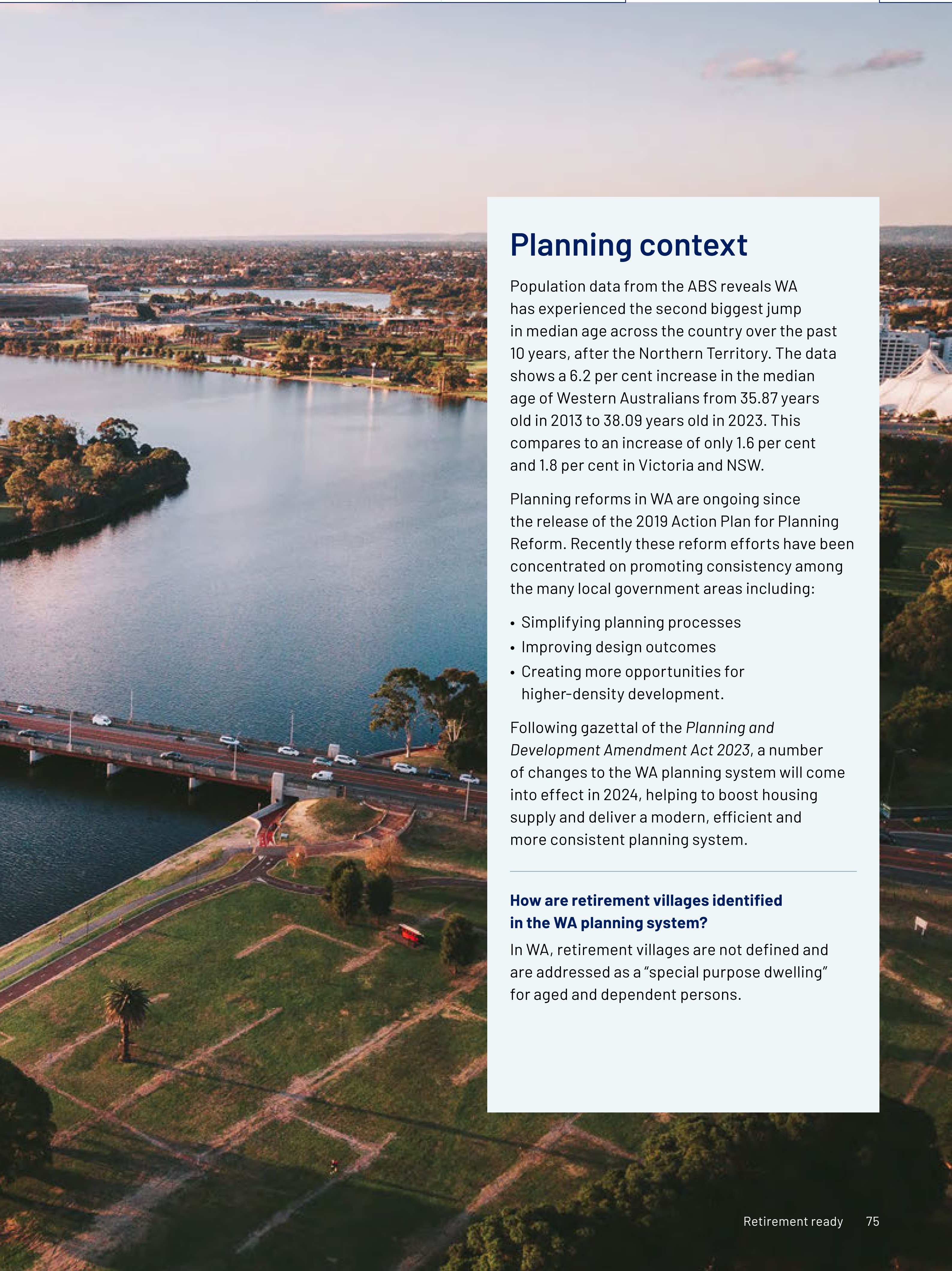
While ranked 7th overall the score improved slightly from 40.0 to 42.7. It is important to acknowledge there has been a lot of reforms in WA to improve the planning systems leading to updated legislation, regulations and policies.

These changes are positive, though it is considered too soon to assess the impact on the retirement living industry. As such, the scores represent the experience held by retirement village operators to date and will hopefully improve with time.

Progressiveness improved as assessments have become performance and outcomes focussed. An ongoing negative is that retirement villages are not defined in planning schemes.

A major challenge for industry is the feasibility of developing retirement villages. Provision of discounted suitable land is necessary to achieve commercially successful developments, a common challenge across states.

Construction costs are some of the highest in Australia and more difficult to pass on in this market due to a lower willingness by customers to pay the prices required.



Planning context

Population data from the ABS reveals WA has experienced the second biggest jump in median age across the country over the past 10 years, after the Northern Territory. The data shows a 6.2 per cent increase in the median age of Western Australians from 35.87 years old in 2013 to 38.09 years old in 2023. This compares to an increase of only 1.6 per cent and 1.8 per cent in Victoria and NSW.

Planning reforms in WA are ongoing since the release of the 2019 Action Plan for Planning Reform. Recently these reform efforts have been concentrated on promoting consistency among the many local government areas including:

- Simplifying planning processes
- Improving design outcomes
- Creating more opportunities for higher-density development.

Following gazettal of the *Planning and Development Amendment Act 2023*, a number of changes to the WA planning system will come into effect in 2024, helping to boost housing supply and deliver a modern, efficient and more consistent planning system.

How are retirement villages identified in the WA planning system?

In WA, retirement villages are not defined and are addressed as a “special purpose dwelling” for aged and dependent persons.

The pillars WA

Retirement and policy direction

Score	Rank
12.5	2

There is no state policy with specific application to retirement villages which is alarming given the state is forecast to have a 90 per cent increase in the number of over-75 year old residents by 2040.

The Residential Design Codes (R-codes) control the design of most residential development throughout Western Australia. The R-codes specify built form design standards for retirement villages under requirements for aged persons' dwellings which has direct implications for yield and on-site building standards.

Volume 1 applies to residential development in the State including specific provisions around retirement village development. Updates have introduced new guidance for medium density development to assist with increasing density across the state.

Volume 2 applies to high density residential development. While there are no provisions which relate specifically to retirement villages, Volume 2 encourages local governments to consider the community benefit associated with aged and dependent dwellings, accessible dwellings, one-bedroom apartments, key-worker dwellings or other innovative housing models in exchange for additional development potential or flexibility in local planning schemes and planning policies.

Legislative framework

Score	Rank
46.0	5

In most residential zones retirement living is permissible 'as of right' and, where not, potentially as a 'discretionary use'.

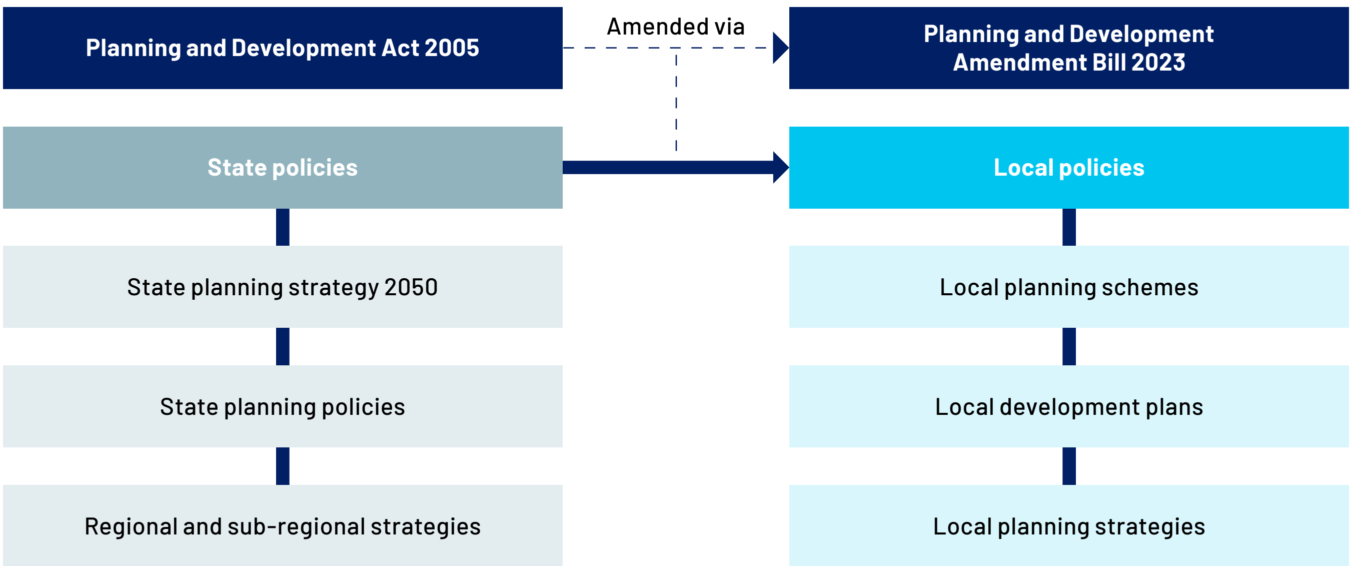
While framework principles exist in the system, there are some inconsistencies in zone permissibility as some councils do not define the use in their planning schemes.

In 2020, the state government set up a new mechanism to stimulate the economy during the COVID pandemic which allowed large scale projects to opt-in for determination by the State Development Assessment Unit. This process has been recently formalised as the new Significant Development Pathway and applies to all projects valued at $20 million or more in the Perth metropolitan area and Peel regions, and $5 million or more in regional areas, including retirement village projects.

Development Assessment Panels are still available for applications valued at more than $2 million.

The benefits of both these assessment authorities are a single point of decision making backed up by some rigid timeframes and strict reporting requirements.

While consistency is available through the implementation of the R-codes, the interpretation of how the provisions should apply varies. Local provisions within the Town Planning Scheme can also override R-codes which adds additional uncertainty for development.



Site and built form requirements

Score	Rank
52.3	6

This pillar score has increased from 44.6 and lifted in ranking. This is likely due to a shift statewide to performance-based design outcomes. Design principles identify the objectives to be met without prescribing how to achieve the outcomes. This allows flexibility for developers and designers to provide innovative solutions.

Specific controls for retirement villages are generally absent from the planning framework which leads to general residential housing requirements often being imposed on retirement living. These controls may not be suitable for retirement housing product which explains why the ranking is still relatively low compared to other states.

Fees and levies

Score	Rank
53.3	6

In WA, contributions for infrastructure are implemented via a State Planning Policy in accordance with the latest revisions gazetted in 2021. These amendments included:

- Introducing a maximum cap on contributions for community infrastructure to ensure the policy principles are equitably applied across the state
- Requirement for a detailed expenditure report to be prepared providing greater transparency of estimated costs, priority and timing for the delivery of local amenities associated with contributions
- Development Contribution Plans must be prepared within six months following the approval or update to a structure plan.

Contributions are collected by local governments to go towards infrastructure that includes:

- Roads
- Extension of water/sewer
- Sporting clubrooms
- Libraries.

Performance outcomes WA

WA has been undergoing significant reform since 2019 and while some improvements have been noticed, overall these new changes are yet to have a material impact on outcomes for the retirement living industry.

Consistency

The overarching objectives of the statewide reforms are to streamline processes and ensure a consistent approach. Historically, there has been significant variance in how zones, land uses, permissibility and development standards are applied across local planning schemes, which explains the lower rank.

Reforms including a suite of standard zones and definitions for adoption into all local planning schemes has most likely driven the lift in the score from 37.0 and should improve further in the future.

Certainty

Certainty has improved from a score of 38.0 likely an outcome of the standardising of zones and definitions as described above.

Progressive

The most substantial improvement score for WA has been for progress up from 44.4. This is because of the emphasis on design outcomes which encourages innovative solutions.

Performance based controls are prioritised ahead of compliance with standards and metrics and the design is assessed by specialist design experts.

Efficiency

While there are efficiency targeted improvements in the planning system, at this time industry has not seen any noticeable changes in timeframe assessments.

Clarity

Making the planning system more legible is a key objective of the reforms. The reforms have only recently been implemented therefore evidence of improvement in the assessment of retirement village developments is yet to emerge.

	Consistency	Certainty	Progressive	Efficiency	Clarity
Score	42.0	41.0	50.0	44.5	30.0
2024 rank	5	5	4	5	6
2017 rank	5	6	7	4	5

Endnotes

1 2023 population: ABS Quarterly Population Estimates (ERP);
2040 population: ABS Population Projections, Australia.
Population Projection at Medium Series
2 Retirement Living Council, "Retirement Living National Report Card", 2017
3 Retirement Living Council, "Better Housing for Better Health", 2023, page 22
4 PwC/Property Council Retirement Census, 2023, page 4
5 Retirement Living Council, "Better Housing for Better Health", 2023, page 5
6 Retirement Living Council, "Better Housing for Better Health", 2023, page 32
7 ABS 2023 National and State Territory Population
8 2023 population: ABS Quarterly Population Estimates (ERP);
2040 population: ABS Population Projections, Australia.
Population Projection at Medium Series
9 Retirement Living – A Wise Move (2020); Department of Health and Aged Care (2022)
10 Retirement Living Council, "Better Housing for Better Health", 2023, page 42
11 PwC/Property Council Retirement Census, 2023, page 18
12 Retirement Living Council, "Better Housing for Better Health", 2023, page 34
13 2023 population: ABS Quarterly Population Estimates (ERP);
2040 population: ABS Population Projections, Australia
14 Retirement Living Council, "Better Housing for Better Health", 2023, page 52
15 PwC/Property Council Retirement Census Snapshot, 2023, page 4

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Cover sheet: Supporting document #3

PROPERTY COUNCIL of Australia

Retirement Living

Shared care

Delivering greater home care efficiencies for consumers, providers and government

December 2023
Commissioned by the Retirement Living Council

Retirement Living

The Retirement Living Council (RLC) is the national leadership group for the retirement living sector, championing policies that deliver age-friendly homes and better services in retirement communities across Australia. The RLC sits within the Property Council's national advocacy team and is the most powerful voice of the sector, representing for-profit and not-for-profit owners and operators of retirement villages and seniors' living communities.

We're excited and energised by the opportunities for the industry and feel enormous pride for the work we do in creating a better future for Australians young and old.

Find out more

Contents

Foreword

Australians are getting older, and while they continue to live longer, healthier lives, there are increasing impacts on the residential aged care and healthcare sectors.

These challenges are becoming more pronounced given the demographic shift that our nation is staring down.

As it stands, there are 2 million people aged over 75 around the country, which is around 8 per cent of the total population.

Over the course of the next two decades, this population is expected to increase by nearly 70 per cent to about 3.4 million and will make up approximately 10 per cent of the total projected population. This trend is expected to continue over the long term, as evidenced by the 2023 Intergenerational Report.

This brings risks and opportunities for industry, consumers and governments, in particular around affordability, supply, care and fiscal relief.

And as the government looks to ensure that financial support for living at home remains sustainable, the number of recipients of the home-based support packages only continues to grow.

Ongoing investment into supporting Australians to live at home is a great way to delay entry into residential aged care. Retirement villages are often confused with aged care facilities, but they are not the same thing.

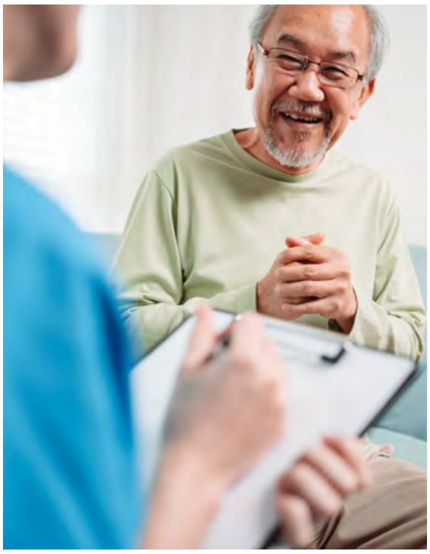
They do, however, have the potential to provide significant benefits for the care sector.

This is because living independently in a retirement community delays entry into taxpayer funded aged care, freeing up space in the system, and delivering significant economic savings to government budgets – as revealed in the RLC's 2023 report, *Better Housing for Better Health*.

It also outlines the societal benefits, spanning from increased social connection, better physical wellbeing, and reduced levels of depression and loneliness.

This tells us that human connection is fundamental, and so is the effective and efficient provision of care and support services to older Australians.

This was underscored recently by the World Health Organisation when it labelled loneliness a "global public health concern" and likened it to smoking 15 cigarettes a day.



Ongoing investment into supporting Australians to live at home is a great way to delay entry into residential aged care. Retirement villages are often confused with aged care facilities, but they are not the same thing.

With this in mind, we present this important report and commend it to industry, consumers and governments around Australia: Shared Care.

‘Shared care’ provides three models for retirement village operators to deliver community-based care services under the Support at Home program within the village setting, either independently or through a delivery partner.

The Retirement Living Council, together with its members, has developed these models, showing that significant efficiencies and savings to consumers and government can be achieved, even at moderate levels of uptake.

This is because retirement villages provide scale for delivering these services efficiently and cost effectively by reducing travel costs incurred by service providers, increasing the frequency of service delivery, and enhancing the quality and suite of services by leveraging those already in place at these communities.

Our sector is already providing community-based care for residents at all stages of their care journey. However, we can and want to do more to ensure that older Australians are living independently for as long as possible by consolidating their home-based care to return a better service to them as consumers and reduced costs for government.

[redacted]

Tony Randello
President
Retirement Living Council

Daniel Gannon
Executive Director
Retirement Living Council

‘Shared care’ provides three models for retirement village operators to deliver community-based care services under the Support at Home program within the village setting, either independently or through a delivery partner.

Executive summary

Delivering home care at scale

Retirement communities present an important opportunity for improved outcomes, experiences and value for older Australians accessing care.

Document purpose

- An opportunity exists for the retirement village (RV) sector to play a greater role in the delivery of community-based care under the Support at Home (SaH) program
- Preliminary discussions with Government indicate an interest in exploring the feasibility of 'shared care' and comprehensive models of delivering care in RVs
- The Retirement Living Council (RLC) is seeking to present these models to Government, outlining how they could produce greater efficiency in the system

Context

- Most people prefer to remain at home as they age but often require support to do so
- **Accessing services when needed can be challenging** under the current system, **resulting in significant unmet demand for home care**, increasing the burden on the health system and driving early entry into residential aged care
- The SaH reforms seek to enable better care and support to be provided to more people in the community

Delivering home care in RVs improves service access and increases health and aged care system efficiency

Consumers

Improved access to healthcare services through increased visits from health professionals

Reduced travel from having services onsite

Greater independence and higher quality of life from living in RVs

Increased discretionary income by using home care packages to pay for services

Government

Savings through cost effective service delivery due to co-location

Economies of scale from village modifications benefiting multiple residents

Reduced spending on lifestyle activities provided by RVs

Reduced utilisation of residential aged care through improved access to home care

- While RVs have historically been a lifestyle offering to younger retirees, the **industry is now attracting more older Australians** – entering at an average age of 75 – who want to access care in a supported setting
- **RVs represent an ideal, and presently under-utilised, setting to efficiently and effectively deliver home care services, and therefore address unmet demand**
  - Delivering care through RVs has significant benefits for consumers, Government, village operators and the health system (see below)
  - **The concentration of consumers in one location also minimises inefficiencies** caused by dispersed consumers in the home care sector
  - By using allocated funding more efficiently, **RVs can help reduce unmet demand as existing funding can support the delivery of more services to more people**

Village operators

Reduced need for external referrals and associated costs

Enhanced **quality of services** from provision of consistent care

Improved staff job satisfaction and retention from reduced travel time, allowing staff to focus on residents

Health system

Fewer interactions with the health system from improved access to prevention and early intervention services

Enhanced system integration as RVs can streamline care coordination and encourage collaboration

Proposed service models

Preliminary estimates indicate that the 'shared care' and comprehensive models could achieve significant efficiencies for the SaH program.

Proposed service models

'Shared care' model		Comprehensive model
Option 1 **Basic services**	Option 2 **Intermediate services**	Option 3 **All services**
RV operators provide only a sub-set of services – 'shared care' partner providers are responsible for any other services		**RV operators have a duty for all services provided**
Approximate equivalent[1] = CHSP, HCP Level 1	Approximate equivalent[1] = HCP Level 2-3	Approximate equivalent[1] = HCP Level 3-4
Typical **RV offerings** Including: • Home modifications and maintenance (e.g. gardening) • Transport (medical and recreational) • Social support	Typical RV offerings + **Daily living assistance** Including: • Personal care • Domestic assistance • Meals preparation • Goods, equipment and assisted technology	Typical RV offerings + Daily living assistance + **Clinical and medical support** Including: • Nursing services (including medication management) • Allied health and therapy services • Respite

- The RLC engaged its operator members and dedicated Care and Support Services sub-committee from October to December 2023 to assess the high-level feasibility of these models
- **The proposed service delivery models are expected to streamline processes, resulting in savings and greater efficiencies**
- Potential financial benefits have been estimated using Commonwealth Home Support Programme (CHSP) and Home Care Package (HCP) program data and utilisation rates, and multiplying wages, funding or an allowance by an estimated improved efficiency
- Estimated benefits have been calculated for:
  - Avoided (non-wage) **travel costs** through co-location of residents;
  - Savings from **reduced resourcing inefficiencies** (e.g. optimised rosters and shift lengths);
  - Productivity gains from **reduced travel time**; and
  - Productivity gains from **reduced administrative task** duplication
- **Systemwide benefits** were estimated by extrapolating per person savings, and applying penetration rates of RVs and the utilisation of home care packages within them – these are **expected to increase over time due to an ageing population growing home care use**
- **The estimated savings are significant considering they apply only to the portion of home care services spent on RV residents** (~250,000 people)[2]

Preliminary estimates indicate that the proposed service models could provide up to

~16–18 per cent efficiency benefits

If 50 per cent of the industry adopted the proposed service models, preliminary estimates indicate a

~$64 million p.a. system benefit

Implementation considerations

There is potential to implement the proposed service models as part of the Support at Home program and associated system reforms.

The proposed models raise several considerations for operators and Government. Successful implementation will require current regulatory barriers to be addressed.

Regulatory and compliance requirements

RV operators responsible for delivering care will need to meet governance and compliance requirements as home care providers – Government could encourage more operators to offer care by reducing the compliance burden when delivering less acute services.

Distribution of funding

Allocation of block funding must be structured to ensure that the various levels of care required within a cohort can be accommodated by the RV operator.

Service safety, quality and care coordination

Where multiple providers are involved in the delivery of care, careful coordination of services will be required, with clearly established lines of accountability for safety and quality of services.

Suitably skilled and qualified workforce

Due to workforce shortages, availability of suitable and appropriate staff for the delivery of care in RV settings must be considered.

Next steps

Further consultation, model development and analysis are required to validate the opportunity for the proposed models.

Review and validation

The feasibility of the proposed service models should be validated by RV operators, regulators and consumers to assess likelihood of adoption and buy-in.

Establish pilot program

A pilot program should be co-designed with Government to trial the models and evaluate their initial benefits. This could provide an opportunity to test the transition of CHSP to the Support at Home program.

Detailed analysis

Analysis of the funding models using pilot locations, specific cost data and sensitivities should be conducted to enable deeper understanding of the cost and benefits. The qualitative benefits identified in this report should be quantified where possible to support the business case for the proposed service models.

Enable further efficiencies through regulatory framework

Any additional compliance requirements and regulatory issues that may limit efficient service delivery in RVs should be identified, and any required regulatory changes pursued.

Section 01

The opportunity to deliver home care services in retirement communities at scale

Better communities

Retirement communities provide significant benefits to the health and wellbeing of older Australians, and to our society at large.

The Retirement Living Council commissioned the ***Better Housing for Better Health* report** to assess the benefits that retirement communities bring to our communities and the wider Australian economy.

A summary of the key findings is provided herewith.

Access the report

Better health

Residents are 20 per cent less likely to require hospitalisation when living in a retirement village

Retirement communities allow for improved access to GPs and allied health professionals

Residents can see delayed entry into aged care when living in a retirement village

Residents are up to 15 per cent more active when living in a retirement village

Personal wellbeing

Older Australians are up to five times more socially active when living in a retirement village

Residents are twice as likely to get together with friends and family

Residents are 41 per cent happier when living in a retirement village

Living in a retirement village reduces levels of loneliness among residents

Better housing

Retirement communities provide affordable housing to the growing number of older Australians

The planned 18,000 retirement units can reduce the housing gap by 18 per cent

If an additional 49,000 retirement units were built to maintain current market penetration, it could reduce Australia's housing shortage by 67 per cent and free up homes for younger people

Economic incentives

Retirement communities support approximately 30,000 jobs p.a.

Retirement communities provide up to $945 million in annual savings on government spending from a two-year delayed entry into residential aged care

Reduced levels of loneliness which the World Health Organisation has recently labelled a "global public health concern"

Retirement communities can help avoid 14,000 hospitalisations for older Australians annually

Current challenges

Retirement communities are an important setting for the provision of home-based care, presently constrained by access and efficiency challenges.

Retirement village setting

	Basic/low support needed	▶	Intermediate support needed
Description	• Person requires minimal assistance (i.e. **low amounts of services**) to safely remain at home • No to low complexity or vulnerability concerns • Usually **does not require case management** or coordination		• Person requires regular assistance (i.e. **moderate amounts of services**) to safely remain at home • May be low to moderate level complexity and/or some vulnerability concerns • **Often requires case management** and/or coordination
Typical services[3]	• Personal care • Domestic assistance (including shopping) • Transport • Social support • Meals and other food services		Basic/low support + • Home modifications and maintenance • Goods, equipment and assisted technology • Some nursing care
Current programs[4]	• Gov: CHSP, HCP Level 1 • Private home care services[5]		• Gov: HCP Levels 2-3 • Private home care services[4]

▶ = Trigger

System challenges

HCPs are capped and periodically released, leading to waiting lists in some areas[3]

It can **take up to 12 months** for eligible individuals to access funding for their assessed need level[3]

Retirement village setting	Residential care setting
High support needed	**Unable to remain at home**
• Person requires frequent assistance (i.e. **high amounts of services**) to safely remain at home • May be moderate to high complexity and/or very to extremely vulnerable • **Requires case management** and/or coordination	• Person has a **medical, physical, cognitive, behavioural and/or psychosocial need** that means they cannot live in the community • Person's life or health would be at significant risk without residential care
Intermediate support + • Nursing (including medication management) • Allied health and therapy services • Respite	• Accommodation • Hotel services • Care services (personal and clinical)
• Gov: HCP Levels 3-4 • Private home care services[4]	• Gov: Subsidised RAC • Private RAC

Limited choice of providers in some areas due to compliance requirements that deter non-clinical providers[4]

People with **similar needs can receive different levels of service** from providers[6]

Limited value for money with one-third of HCP funds reportedly directed towards administration fees[5]

The ‘shared care’ opportunity

The RLC proposes a three-level service model for the delivery of the Support at Home program for retirement village residents.

‘Shared care’ model	
Option 1 **Operator provides ‘basic’ services**	Option 2 **Operator provides ‘intermediate’ services**
• Operator provides **services typically already offered** by RV operators • **Operator establishes relationship with ‘shared care’ partner** provider(s), who offers any additional services residents require • **Operator has duty of care only for services they provide** – partner provider(s) responsible for remaining services • **Fixed menu of services** offered – may vary based on a village’s resident profile • Uptake more likely from **traditional RV operators**	• Services provided include all those under Option 1, **plus services that assist with daily living** • **Operator establishes relationship with ‘shared care’ partner** provider(s), who offers any additional services residents require • **Operator has duty of care only for services they provide** – partner provider(s) responsible for remaining services • **Fixed menu of services offered** – may vary based on a village’s resident profile • Uptake more likely from **operators with experience** in home care
Typical **RV offerings** Including: • Home modifications and maintenance (e.g. gardening) • Transport (medical and recreational) • Social support	Typical RV offerings + **Daily living assistance** Including: • Personal care (e.g. showering)[7] • Domestic assistance (e.g. shopping) • Meals and other food services • Goods, equipment and assisted technology
Approximate equivalent[8] = CHSP, HCP Level 1	Approximate equivalent[7] = HCP Levels 2-3

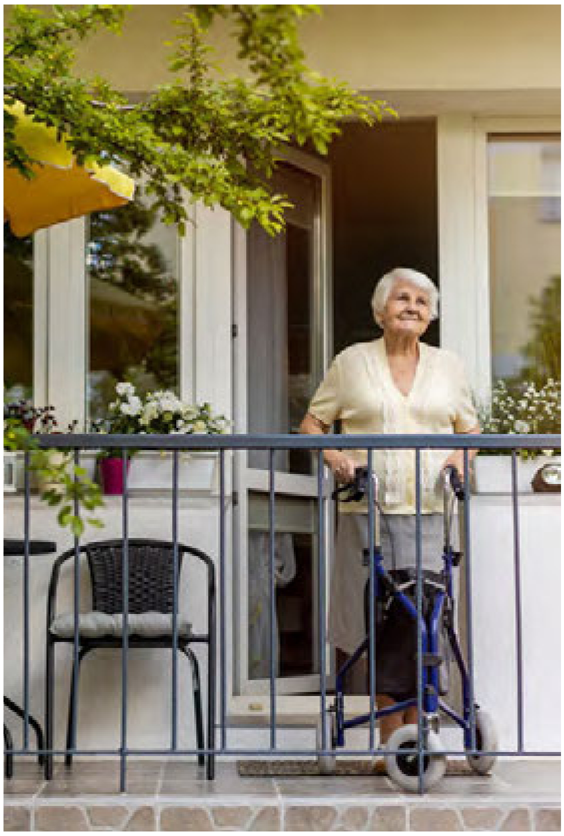
Continuum of services provided by operator (+ associated compliance requirements and risks)

Comprehensive model

Option 3

Operator provides all home care services

- Services provided include all those under Option 2, **plus clinical services**
- Operator is responsible for all **Government funded home care services**
- Operator may partner with other provider(s) for some services but **has duty of care across all services**
- **Fixed menu of services** offered – may vary based on a village's resident profile
- Uptake more likely from **operators with experience** in home and/or residential care



Typical RV offerings +
Daily living assistance +
Clinical and medical support

Including:

- Nursing services (including medication management)
- Allied health and therapy services
- Respite

Approximate equivalent[7] = HCP Levels 3-4

What it means for consumers

‘Shared care’ will deliver improved outcomes, experiences and value for a broad range of retirement village resident needs.

‘Shared care’ model

Option 1	Option 2
Operator provides ‘basic’ services	**Operator provides ‘intermediate’ services**
Example **Low acuity but socially isolated** Shelley is currently living in a retirement village in Geelong. She is healthy for her age but increasingly needs help around the house and does not drive. Shelley and her husband, Fred, had relocated to Geelong to be closer to health services for Fred. Fred sadly passed away earlier in the year, however, Shelley has not felt isolated due to her strong support network of friends in the village. As the village offers basic home care services, Shelley has also been able to access transport services to maintain her independence. The village manager also directed her to the ‘shared care’ provider to access domestic assistance services.	**Example** **Remain at home through age appropriate housing and home care services** Kevin is an 80-year-old retiree now living in a retirement village in Brisbane. He has a medical condition that limits his mobility and meant he was unable to continue living in his home. While Kevin wanted to remain at home, stairs in his house caused a fall that led to a hospital stay. Kevin’s family helped him find a unit in a nearby retirement village that offered age appropriate housing and provided intermediate home care services. The village’s ‘shared care’ partner also has arranged for some physiotherapy services for Kevin. This has allowed Kevin to avoid moving into residential aged care.
Benefits of model for consumer[9] • **Greater independence** through services provided by the village operator and ‘shared care’ partner • **Greater quality of life and reduced isolation** through a social community to connect with peers	**Benefit of model for consumer**[7] • **Avoid early entry into residential aged care** through ageing appropriate housing combined with intermediate home care services • **Reduced interactions with health care system** due to improved environmental safety

Comprehensive model

Option 3

Operator provides all home care services

Example

Ageing in place as acuity increases

Lois and her husband Ivan have lived in a retirement village in Adelaide for the past five years.

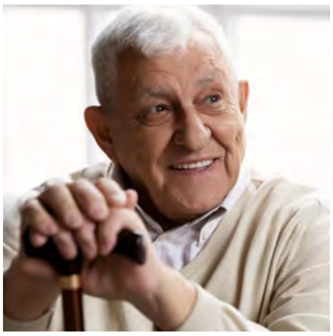
When she initially entered the village, Lois did not require any home support services. However, since receiving a dementia diagnosis three years ago, Lois has increasingly required more support to stay at home.

As Lois and Ivan live in a village that is responsible for all home care services, her case manager has ensured she has timely access to additional services as her needs change, whilst retaining consistent support workers. This has also prevented Lois from being separated from Ivan and her friends in the village.

Benefit of model for consumer[7]

- **Continuity of care** by having access to the same care workers over several years
- **Ability to age in place (including in a retirement village)** and access additional services when and where they were needed without being placed on a waiting list

Shelley



Kevin

Lois

The model in practice

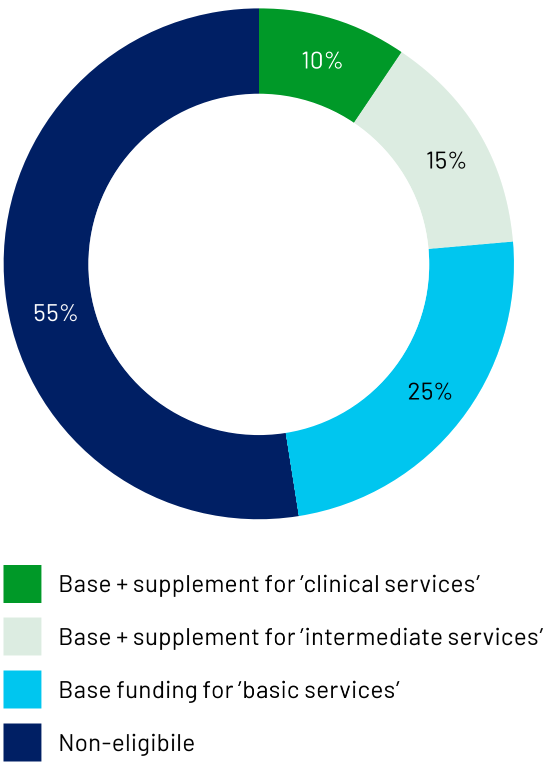
Funding for home care services will flow through the village operator and any 'shared care' partner, depending on the model run at the village.

- **Individual assessments** determine the needs of each resident
- **Bulk funding for 'basic services' flows directly to the village operator** from Government under all model options
- If a **resident is assessed as requiring additional services, supplemental funding is provided by Government** to ensure all their needs can be met
  - This supplemental funding **flows either to the village operator or 'shared care' provider** depending on the service model run
- To allow for consumer choice, **residents may opt-out of receiving their supplemental services through the 'shared care' provider and/or village operator**, and instead take that funding to another provider
  - However, **residents opt-in to receiving any 'basic services' through the RV operator at village entry**

Exhibit 1

Sample village profile[10] – resident eligibility for funding

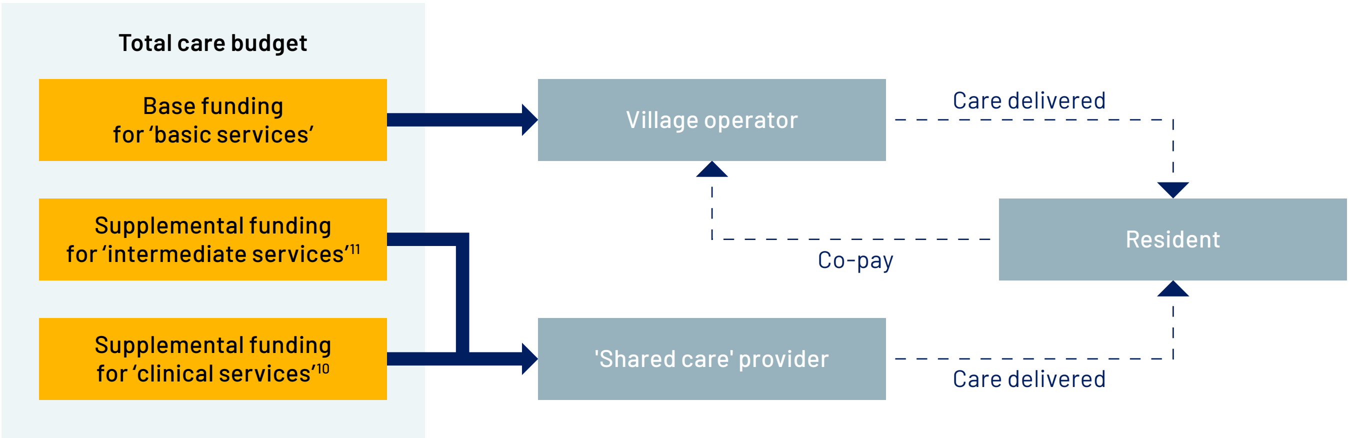
Per cent



‘Shared care’ model

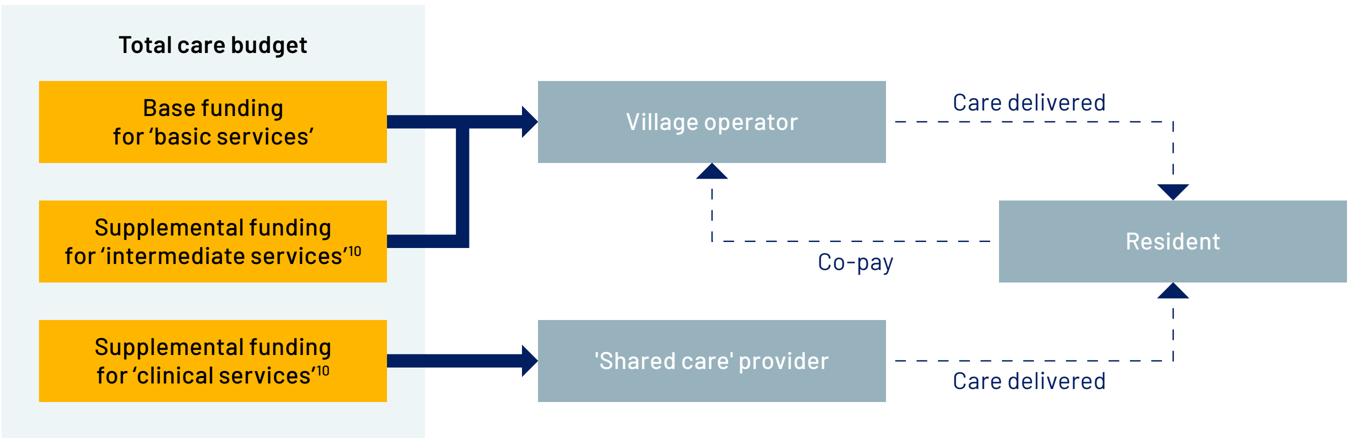
Option 1

Operator provides ‘basic’ services



Option 2

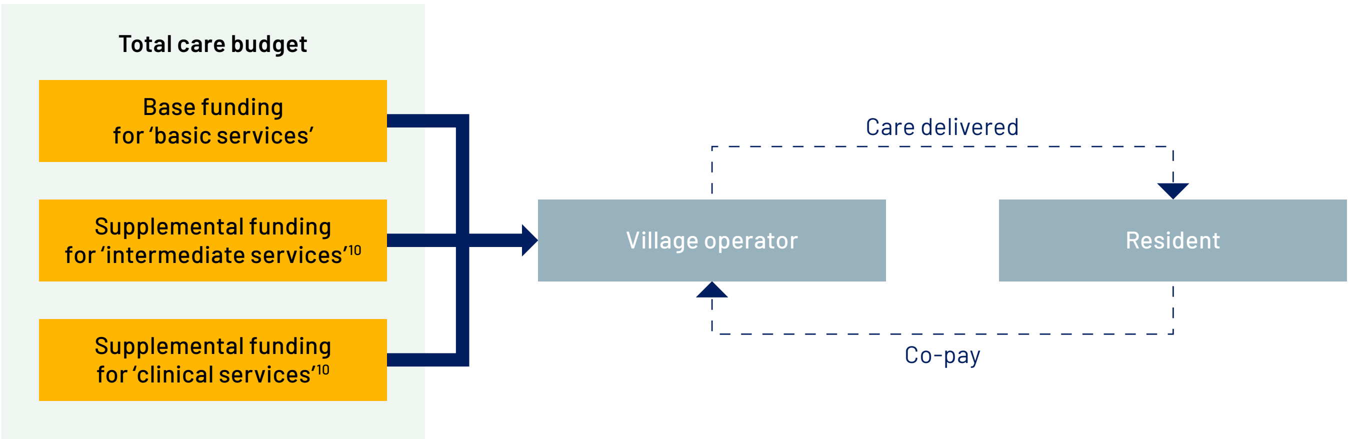
Operator provides ‘intermediate’ services



Comprehensive model

Option 3

Operator provides all home care services



Section 02

The value of the proposed service models

Everyone wins

The proposed model offers benefits to consumers, Government, village operators and the broader health system.

Consumers

Improved access to health services from an increase in frequency of visits by healthcare professionals

Reduced travel from having access to services and amenities onsite

Increased discretionary income by using home care packages to pay for services

Greater independence in lifestyle-focused retirement communities

Greater quality of life as retirement living provides a social community to connect with peers

Government

Cost savings resulting from service provider(s) being able to provide care more cost effectively due to the concentration of residents in one location

Economies of scale from village modifications benefiting multiple consumers, reducing the need to spend at an individual level

Reduced spending on lifestyle activities as these are already provided by retirement communities

Deferred entry into residential aged care from improved access to home care packages

Promotes policy alignment through integrated care models, aligned to the recommendations from the Royal Commission into Aged Care Quality and Safety

Village operators

Reduced need for external referrals and associated costs from improved access to specialty care services

Enhanced quality of services by providing consistent care as village operators would have standardised care pathways and protocols for care delivery

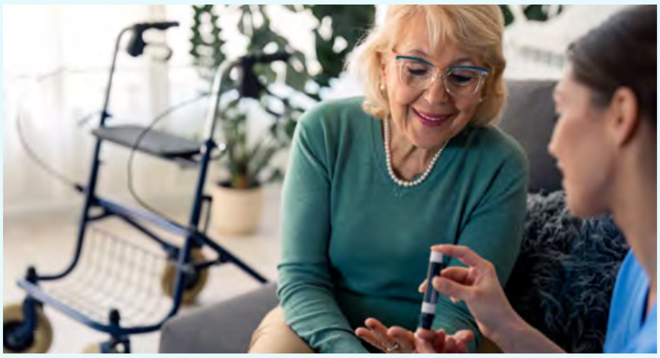
Increased job satisfaction and retention due to reduced travel time, allowing healthcare workers to focus on residents' needs and work more efficiently

Possible cost savings from staff retention and reduced recruitment and training costs

Health system

Fewer interactions with the health system from residents having improved access to prevention and early intervention services, reducing health system costs

Enhanced system integration as standardised care pathways and protocols within retirement communities can streamline care coordination and encourage interdisciplinary collaboration



Direct benefits

The potential direct financial benefits of the model have been identified for avoided travel costs, resourcing efficiencies and productivity gains.

Quantifiable benefits[12]

Four (4) benefits to Government have been quantified:

01
The reduction in (non-wage) **travel costs** due to the co-location of residents

02
The reduction in **resourcing inefficiencies** resulting in reduced costs

03
The productivity gains resulting from **reduced travel time**

04
The productivity gains from **reduced administrative task** duplication

These benefits result from streamlined processes in the proposed service models due to the co-location of residents accessing home care services.

Assumptions

Within the estimates, assumptions have been made regarding:

- The average **travel time**, **distance** and **cost**
- The **frequency of services** provided, and the associated **wages** with those services
- The average **inefficient staff time** resulting from the Social, Community, Home Care and Disability Services (SCHADS) award minimum length of shift and the occurrence of broken shifts
- The proportion of funding spent on **care management** and **administration**

Where possible, **data has been collected** (publicly available and from operators) to support cost reduction/benefit calculations.

All calculations are on a **per person per day** basis to allow for the addition of these benefits.

Caveats

The benefits estimated comprise:

Direct savings

Productivity gains that can be reallocated to other services

Savings are **tangible monetary values** that can be realised as **reduced costs**.

Productivity gains are **time** and **resources** that can be more **efficiently reallocated**.

Savings explained

Preliminary benefits estimates for the proposed model have been estimated using existing CHSP and HSP program data.

The RLC has calculated the expected utilisation of the models by retirement village residents using GEN Aged Care data.

Utilising publicly available GEN Aged Care data, we estimated the:

- Proportion of retirement village residents currently receiving each type of existing aged care service;
- Allocation of current residents and funding entitlement to each of the basic, intermediate and comprehensive options; and
- Average funding each resident would theoretically be entitled to under the three proposed options.

Using home care data, we estimated the proportion of home care users within an RV that would be accessing the various package types across each 'shared care' model (Exhibit 2).

Exhibit 2

Estimated package utilisation

Per cent

Package	Basic	Intermediate	Comprehensive
CHSP	77%	77%	77%
HCP1	+23%	+1%	+1%
HCP2	+0%	+9%	+9%
HCP3	+0%	+13%	+8%
HCP4	+0%	+0%	+5%

Based on these utilisation estimates, in addition to average CHSP/HCP funding data, we calculated the average per person, per day funding across each proposed service model. An example is illustrated below.

Exhibit 3

Example of estimated funding calculation for the basic 'shared care' model

Example for basic 'shared care' model	Relevant Home Care option weighting within model		'Shared care' model funding per person per day		Relevant Home Care option funding per person per day
CHSP	77%	×	$9.52	=	Average per person, per day funding of **$13.86**
		+			
HCP1	23%	×	$28.14		

The benefits were estimated for each of the proposed models using a preliminary benefits calculation methodology.

- The figures below illustrate the calculations that have been used to scope the benefits of the proposed models.
- These metrics estimate the benefits of 'shared care' models to the Government on a per person, per day basis.
- All calculations multiply monetary values (wage, funding or an allowance) by an estimated improved efficiency that will be present across the proposed models.

Exhibit 4

Benefit calculation summary

01 **Avoided (non-wage) travel costs through co-location of residents** = Kilometre allowance average × Estimated travel distance × Frequency of reduced travel per person

02 **Savings from reduced resourcing inefficiencies** = Average wage × Frequency of minimum shift inefficiency + Average wage × Broken shift allowance × Frequency per person

03 **Productivity gains from reduced administrative task duplication** = Average wage × Estimated reduced travel time per person

04 **Productivity gains from reduced travel time** = Funding per person per day × Funding proportion for admin-istration × Reduced task duplication

Monetary values (wage, funding, allowance) | Estimated improved efficiency

Productivity gains

Preliminary estimates indicate that the proposed service models could provide between 16-18 per cent efficiency benefits.

Individual savings and productivity gains are summarised across the benefit categories and proposed service models in Exhibit 5.

Exhibit 5

Benefit summary (per person, per day)

AUD

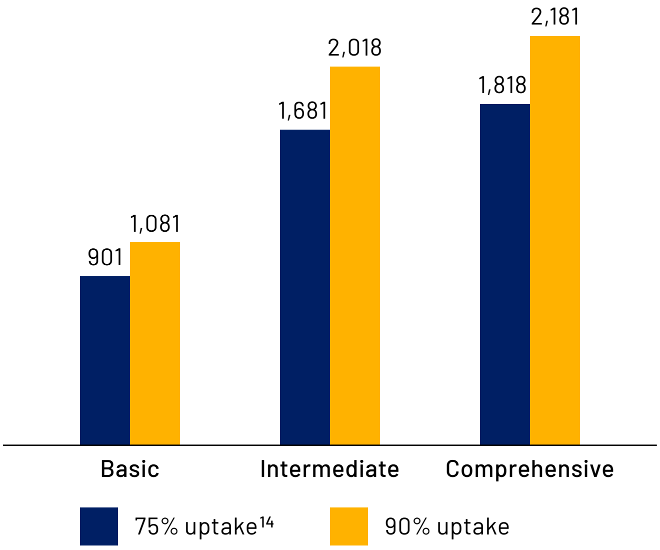
	Basic	Intermediate	Comprehensive
Weighted average funding[13] (per person per day)	**$13.86**	**$26.00**	**$28.78**
Travel costs avoided	$0.30	$1.58	$1.90
Resourcing efficiency	$0.73	$1.00	$1.01
Productivity gains from wages for lost travel time	$1.28	$1.74	$1.76
Reduced administrative costs	$0.09	$0.16	$0.18
Total benefit (per person per day)	**$2.40**	**$4.48**	**$4.85**

Exhibit 6 illustrates the benefit per day that could be achieved if the proposed service models were applied to a 500 person RV.

Exhibit 6

Benefit summary (extrapolated to a ~500 person RV)

AUD, per day



Annual savings

Preliminary estimates indicate that the proposed service models could realise a potential system benefit of ~$60-100 million per annum.

Benefit summary (systemwide, per annum)

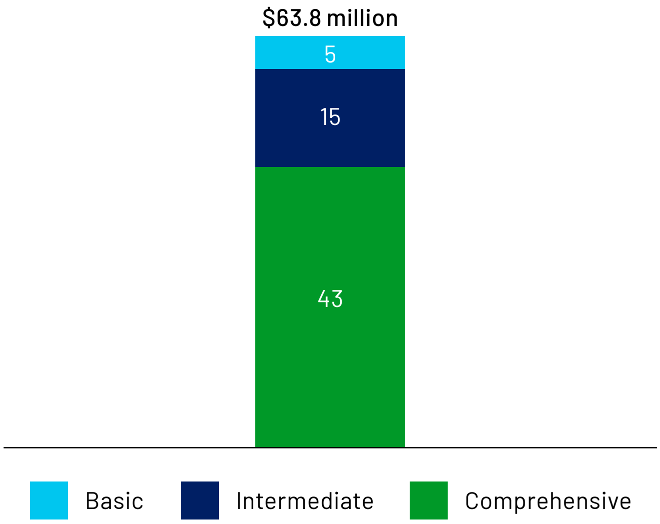
This preliminary analysis aimed to estimate the population within the RVs adopting the service models that would require home care services, and then calculate an indicative systemwide benefit using individual savings estimates previously outlined.

- **The estimated individual savings per day were extrapolated to calculate an estimated systemwide benefit of $63.8 million per annum.**
  - This demonstrates the potential of the models across the four quantified benefits
  - This estimation drew on current usage (penetration) statistics for RVs, home care package utilisation rates in RVs, and an assumption that 50 per cent of RVs would adopt one of the new service models
- **If adoption within the system reached 80 per cent, the potential per annum benefits would be approximately $100 million** – systemwide benefits are expected to grow as the population of those in retirement living systems grows per Australian Bureau of Statistics projections.
- For demographic context, there are currently 2 million people aged over 75 around Australia, growing to 3.4 million by 2040. In terms of existing market penetration, 12.6 per cent of this age cohort live in a retirement community around the country. The RLC's *Better Housing for Better Health* report notes additional capacity in the system by increasing market penetration to 14 per cent, leading to improved outcomes for consumers, healthcare and housing systems.
- While total Government home care spend was ~$8.3 billion in FY22[15], **the estimated savings are significant considering they apply only to the portion of home care services spent on RV residents** (~250,000 people).

Exhibit 7

System benefits per annum[16]

$ millions



Calculation summary

The calculation, and data used, is illustrated in Exhibit 8. Conservative assumptions were made where data was unavailable, including for the uptake of the proposed service models (50 per cent) and the preference for basic (80 per cent), intermediate (15 per cent) and comprehensive (5 per cent) models.

Exhibit 8

Systemwide benefit calculation summary[15]

		Number of RVs		Average number of residents in RVs		Home care usage rate		RV uptake of proposed service models		Estimated model preference		Estimated benefit per person, per day
										Basic 80%		Basic $2.40
System-wide benefit	=	2,436	×	110	×	46%	×	50%	×	Intermediate 15%	×	Intermediate $4.48
										Comprehensive 5%		Comprehensive $4.85

Section 03

Implementation considerations and next steps

Implementation considerations

Success of the models will depend on resolving current regulatory barriers and system challenges through the Support at Home reforms.

Application of regulatory and compliance requirements to providers

Description

- **RV operators responsible for delivering services will likely need to meet registration and compliance requirements** as home care providers – e.g. financial transparency, operational compliance monitoring and record keeping.
- Under the Support at Home reforms, **a regulatory model is being developed to align compliance requirements with the risk level of the service** being delivered.

Implications

- **RV operators must be prepared to meet current requirements** under the Commonwealth *Aged Care Act*.
- However, **upcoming reforms provide Government an opportunity to encourage more providers to enter the sector** by reducing the compliance burden when delivering less acute level services.
- **This could also encourage greater uptake of the 'Option 2' model** by traditional RV operators, if the compliance burden was reduced for lower-level personal care services.

Effective service safety, quality and care coordination

Description

- **Where multiple providers are involved in the delivery of care** through the proposed models, **careful coordination of services will be required** to ensure care is delivered to the right care recipients, in the right location, at the right time.
- **Clear lines of accountability for service safety, quality and coordination will need to be established** and maintained to ensure delivery of consistent high quality, safe and respectful care.

Implications

- **Additional measures may be required to ensure clarity of accountability** for quality and safety (e.g. compulsory reporting), and requiring effective communication and collaboration between parties.
- However, **overall safety and quality may be enhanced due to additional oversight from the village operator in the proposed models**.

Distribution of funding

Description

- **Allocation of block funding** to cover the costs of delivering services to residents **must be structured to ensure that the various levels of care required** within a cohort **can be accommodated by the RV operator and/or its preferred partners** within that setting, without deprioritising individual care needs.

Implications

- **Block funding will provide RV operators predictable and stable funding**, enabling more effective service planning and delivery.
- **Service stability, consolidation and improved access will be likely outcomes for residents** who will no longer have to seek care from a variety of providers.
- **Mechanisms must be in place to ensure care recipients receive individualised care** when and where they need it (e.g. care planning and case management).

Access to suitably skilled and qualified workforce

Description

- With the significant aged care workforce shortages set to continue, **implementation of the proposed models must consider the availability of suitable, appropriate and qualified (where required) staff** for the delivery of care in the RV setting.

Implications

- **Block funding, and the consequential stability of demand for services, may result in improved workforce attraction and retention** in the market particularly for less skilled roles.
- **Stability may also provide the opportunity for upskilling and succession planning** into leadership roles to support resident progress along the continuum of care.

Recommendations

Further consultation, model development and analysis are required to validate the opportunities associated with the models.

Recommendations to progress the proposed service models within retirement communities are described below.

Review and validation

- The feasibility of the proposed service models has been analysed based on potential savings for Government.
- The feasibility of the proposed service models should be validated with RV operators and regulators to assess likelihood of adoption and obtain buy-in.
- The likelihood of adopting the proposed service models may depend on a village operator's size and experience in home and/or residential aged care.
- Similarly, consumers should be consulted to test appetite for accessing home care services through an RV operator.

Establish pilot program

- A pilot program should be co-designed with Government to trial the models and evaluate their initial benefits.
- The Commonwealth Government has recently deferred the transition of CHSP into the Support at Home program until July 2027[17] – the aim of this deferral was to minimise disruption for consumers and ensure CHSP providers have sufficient time to adjust to the new model.
- Piloting one or more of the proposed service models would provide an opportunity to test the transition of CHSP services to the Support at Home program on a smaller scale.

Detailed analysis

- Detailed analysis should be conducted at pilot locations, including a mix of village operators (based on size), to enable a deeper understanding of the estimated benefits.
- This may include consideration of the number of residents within a village, detailed journey mapping, and volume and activity based data.
- Analysis may also include using service specific information to understand savings in greater detail – e.g. differing wages and travel requirements between nursing and domestic assistance.
- A sensitivity analysis could be conducted to understand how benefits are impacted as key parameters change.
- It should also be determined whether the identified qualitative benefits require quantitative analysis to support the business case for implementing the models.

Enable further efficiencies through regulatory framework

- Current compliance and regulatory challenges that may limit RVs from delivering home care services more efficiently should be explored, and any required regulatory changes pursued.
- **For example:** Limitations in using current Government home care funding to subsidise RV prepared meals –residents currently have to organise alternative meal preparation services through other providers.
- **For example:** One size fits all compliance regulation currently disincentivising low risk, non-clinical providers from entering the home care market – this decreases competition and can lead to higher costs for Government.

Appendices

Appendix A

While Government provides significant funding for home care, demand continues to outpace supply of subsidised care.

	Government funded	
	CHSP	**HCP**
Description	CHSP provides **entry-level support** (e.g. assistance with housework, transport, shopping etc.) to assist people to complete their everyday tasks and to continue living in their homes.	HCP offers **case managed personalised care** to help recipients live more independently. The HCP provides four levels of assistance depending on the assessed need levels of individual recipients.
Recipients	**818,228**[18]	**261,314**[17]
Funding details	• Grant-funded program that allows recipients to access certain subsidised services • Typically helps with **completing 1-2 everyday tasks**[20]	• Provided through a subsidy to providers – amount increases with each package level[19] • Provides **four levels of assistance** depending on assessed needs • Funding levels range **from $9,000 p.a. (HCP1) to $52,000 p.a. (HCP 4)**[21]
Cost	**$2.7 billion**[18]	**$4.19 billion**[18]
Funding model challenges	• If individuals can afford to do so, they are **expected to contribute to the cost of services** – client contributions totalled around 10 per cent of total CHSP in 2022[22] • Individuals have **limited choice over the types of services and providers** they can access as CHSP can only be used with ~1,400 accredited organisations nation-wide[21]	• **Wait times for HCP assessments** mean that there can be up to 12-month delays for eligible individuals to receive care at their assessed need level – e.g. ~102,000 people were recorded as waiting to receive their assessed level of care at 30/6/2020[23] • **HCPs are capped by Government and periodically released**, making it difficult to receive funding in areas where demand outstrips supply, contributing to extensive wait times

	Privately funded
STRC	
Short Term Restorative Care (STRC) provides **early intervention services** to help individuals to maintain and restore their independence.	While Government does provide support for home care, there are many elderly Australians who decide to privately arrange their home care. Common reasons why private home care services may be used include: • People who require home care assistance can be placed on waitlists to receive Government subsidised services, leading them to seek private home care assistance in the interim • Private provision of home care assistance ensures a higher level of choice in services and providers • Individuals may sometimes require assistance beyond their allocated allowance level – e.g., an individual on a HCP 1 may sustain a short-term injury and require some extra at home assistance for a certain period that may exceed their funding allowance, resulting in a need for private assistance
6,227[19]	
• Subsidies provided for **specific recovery needs**, e.g. physiotherapy • Means tested with some people contributing to the cost of care[19]	
–	
• Currently, **no extensions of the program can be granted** beyond an eight-week period, regardless of recovery time – a hard stop to STRC funding can sometimes impact the recovery process for individuals	

Appendix B

Upcoming reforms to Government-subsidised home care will aim to address current challenges in the sector.

Legislative reforms are currently being proposed within the home care sector following a series of recommendations put forward in the Royal Commission into Aged Care Quality and Safety. **Details regarding what will be included in these 'Support at Home' reforms** are currently being developed by the Government.

There are three target improvement areas for the proposed reforms:

01 Accessibility

02 Quality

03 Independence

	01 Accessibility
Challenges in current system	**Home care packages are currently challenging** to access and use, with significant delays in care provision and difficulties finding approved providers.
Summary of proposed 'Support at Home' reforms	**Development of a single integrated assessment system** that will be accessible from July 2024, allowing recipients to access the funding they need faster.[24] **All home care services will be streamlined into one package**, increasing accessibility for those who were previously recipients of multiple packages.[22] **Greater clarity for consumers on services** with a Service List to detail available Government subsidised services.[25] **Access to culturally safe support** for senior Aboriginal and Torres Strait Islander people through a national service that will offer face-to-face support.[23]

02 Quality	03 Independence
The quality of care and value for money of home care services is under scrutiny, with the Royal Commission highlighting that up to 1/3 of HCP funds are used for administration/management, and current accreditation assessments are not proportionate to service-level risk.[23]	**Aligning services with needs and supporting individual independence** are fundamental issues that are often highlighted in consultations with older Australians.
Improved safety and quality of care through a new regulatory model that is being developed to align compliance with the risk of the service delivered by a provider.[23]	**Provision of individualised support plans**, tailoring services and funding to consumers' needs. These will remain flexible and can be adjusted by the recipient as their needs change.[23]
Set price for activity-based service payments, creating competition between providers regarding the quality of services, rather than affordability.[23]	**Independence at home will be a priority** with similar offerings to the STRC set to be extended to a larger proportion of older Australians.[23]
Provision of workforce incentives (e.g. potential wage increases) to attract and retain more talent in the sector.[22]	**Greater choice and flexibility** through a new regulatory model that will enable recipients to self-manage their care, including using multiple service providers.[23]
Introduction of new Quality Indicators and Star Ratings for in-home aged care providers.[23]	**Equipment and modifications will be funded separately**, with funds no longer needing to be spent on access equipment and home modifications.[23]

Appendix C

Home care in RVs enhances service access and increases health and aged care system efficiency.

Consumers

Description

- Under a 'shared care' or comprehensive funding model, residents will experience **an increased frequency of visits from healthcare professionals** who no longer need to travel to multiple locations in a day. This improves residents' access to healthcare services.
- A retirement village combines facilities (e.g. gyms, pools) and health services in one location, **enabling residents to enjoy a range of amenities and healthcare** without the need to travel elsewhere. The upkeep of shared spaces and communal gardens is typically handled by the retirement village, freeing up residents' time and granting them extra leisure.
- Some village operators may **contract multiple providers, giving consumers the option of choosing their service provider**.
- Retirement communities foster social interaction and community involvement by offering residents an environment where they can connect with their peers, leading to improved social and emotional wellbeing.
- Retirement villages are lifestyle focused communities, enabling residents to maintain their independence as they age.

Benefit

Improved access to health services

Reduced travel

Increased discretionary income

Greater independence

Greater quality of life

Government

Description

- **Infrastructure improvements in a retirement village benefits the entire village community.** As more people benefit from the same modifications or upgrades, the cost per person decreases.
- Retirement communities are designed to **provide a wide range of services and amenities** that cater to the needs and interests of their residents. These can include fitness centres, social clubs, dining facilities, transportation services. Retirement communities can **spread the costs of maintaining and operating facilities and services** across a larger group of residents, reducing spending on lifestyle activities for Government.
- As residents benefit from **improved access to healthcare and quality of life** within a retirement village, entry into residential aged care can be prevented or delayed, leading to annual cost savings for Government of $945 million at current market penetration rates. Should the market penetration of retirement villages match New Zealand's, this saving would increase to over $1 billion.[26]
- When funds are consolidated, a retirement village can **streamline care coordination and foster greater interdisciplinary collaboration**. This occurs from having centralised and standardised care pathways and protocols, and having access to a range of health professionals onsite (e.g. doctors, nurses, allied health professionals). Ultimately this can **enhance overall system integration**.

Benefit

Reduced costs

Reduced pressure on residential aged care

Economies of scale

Policy alignment

Village operators

Description

- Village operators will benefit from an increased revenue from higher occupancy and lower vacancies as a result of a more comprehensive range of services, tailored to residents evolving needs
- With 'shared care' and comprehensive funding models, retirement village operators could invest in partnerships with healthcare providers who offer **specialist services within the retirement village, without the need for referrals**.
- Village operators would already have **standardised care pathways and protocols for care delivery**, meaning that they are able to **provide consistent care**, minimising variations and errors in care delivery, providing a reliable experience for residents.
- Health professionals will likely experience an **increase in job satisfaction due to reduced travel time** as multiple residents are available in one location as are onsite health facilities/clinics. This allows health professionals to work more efficiently by focusing on providing care to residents. This could result in **improved retention**. Ultimately, village operators may benefit from a reduced need to hire and train new staff.

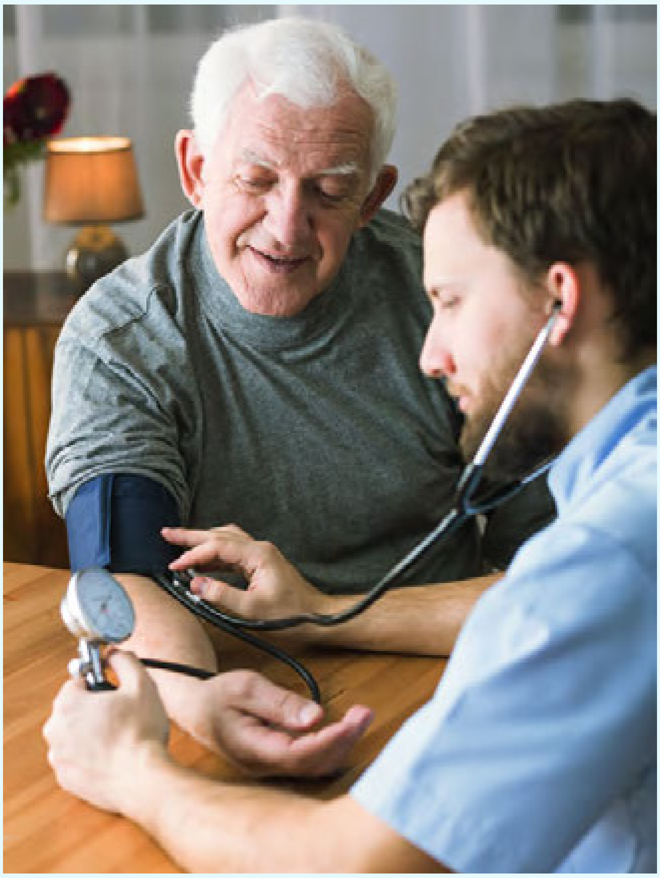
Benefit

- **Increased revenue**
- **Increase in job satisfaction and staff retention**
- **Reduced specialist referrals**
- **Reduced hiring and training costs**
- **Enhanced quality of services**

Health system

Description

- Residents would have **access to a range of health care services in a timely manner** within a retirement village. With improved access to home care packages under a 'shared care' or comprehensive model, retirement villages could **minimise reliance on the health care system**, including hospitalisations and emergency care services.[27]
- A retirement village under 'shared care' or comprehensive funding models can help **streamline care coordination and enhance system integration** as multiple resources (e.g. health professionals) are consolidated under one location.



Benefit

Fewer health system interactions

Reduced health system costs

Greater system integration and collaboration

Appendix D

Quantitative benefits methodology – assumptions[28]

These assumptions are grounded in preliminary analysis completed by Ryman Healthcare. These provide the basis for determining the direct costs saved through reduced travel.

Travel costs	Unit	Assumption
Kilometre allowance average	$	$1.15
Estimated travel distance	km	2

The assumption of the reduction in time spent on travel was based on Ryman's preliminary analysis.

Travel time	Unit	Assumption
CHSP	hours/week	0.2
HCP1	hours/week	0.4
HCP2	hours/week	0.6
HCP3	hours/week	0.8
HCP4	hours/week	1.0

This assumption seeks to quantify the cost of the reduced inefficient time due to the required two hour minimum shift under the SCHADS award.

Additionally, an assumption was made that given a greater number of services are provided at higher levels of home care, the more efficient resourcing could be. This is a result of staff having more to do given more clients are co-located.

Inefficient time from SCHADS minimum	Unit	Assumption
CHSP	hours/week	0.1
HCP1	hours/week	0.2
HCP2	hours/week	0.3
HCP3	hours/week	0.4
HCP4	hours/week	0.5

Due to a reduction in scheduling difficulty across all care models given client co-location, a reduced number of broken shifts would occur.

Average broken shift occurrence reduction	Unit	Assumption
CHSP	per week	1
HCP1	per week	1
HCP2	per week	1
HCP3	per week	1
HCP4	per week	1

The CHSP weighted average wage was calculated based on the SCHADS award, accounting for typical shifts as well as afternoon, night and weekend rates.

Weighted average Level 1 – pay point 1 – SCHADS Award	$35.69

An assumption of wage growth over the varied levels of home care was made using the SCHADS award increase over its five levels.

Estimated wage increase from CHSP award	Unit	Assumption
CHSP	%	0%
HCP1	%	6%
HCP2	%	12%
HCP3	%	18%
HCP4	%	24%

This proportion was taken from the Stewart Brown Aged Care Financial Performance Survey Report (March 2023).

Proportion of revenue spent on administration	25.3%

This assumption is a result of the assumed reduction in scheduling time and costs that 'shared care' models would create.

Reduction in duplication of administration tasks	2.5%

Appendix E

Limitations of the quantitative analysis could be mitigated through improved data and refinement of assumptions.

Wage data

- The wage data used within the model leveraged the SCHADS Level 1, pay point 1 data across all shift types to determine a weighted average wage.
- The model has the opportunity to improve if industry data on wage averages for each service type provided through home care was available to be included. This data would ensure greater accuracy of benefit estimates which account for staff time.
- This improved data would additionally provide greater clarity for the expected increase in wages at higher levels of home care provided.

Systemwide assumptions

- An assumption was made that 50 per cent of retirement communities would adopt the proposed models to estimate systemwide benefits.
- If this assumption was backed by further primary sources such as industry surveys or insights gained from village operators, a more accurate assumption would be possible.

Direct travel cost data

- The assumption of a km allowance for the direct costs associated with travel is based on the Ryman Healthcare preliminary analysis. Whilst plausible and based on industry expectations, a more specific cost of travel would provide greater clarity.
- Additionally, a better estimation of travel distance, which is impacting the travel cost metric, could improve the benefits models' accuracy were it supported by more robust data and evidence.

Our mitigation of these limitations

- In recognising these limitations, we created mitigating assumptions utilising conservative estimates based on industry understanding and our previous experience in benefits modelling.
- This includes the assumptions of reduced travel time, reduced inefficient time, reduced broken shift occurrence and the improved administrative efficiencies, which feed into the four benefit metrics we quantified and estimated.

Endnotes

1 High level guide only based on acuity of customers that typically access existing funding. Services offered under proposed models are a sub-set of available services in existing CHSP and HCP programs and are therefore not directly comparable.
2 Retirement Living Council, "Better Housing for Better Health", 2023
3 Services vary depending on individual needs of consumer: social, physical, medical and psychological
4 Royal Commission into Aged Care Quality and Safety, " Final Report: Care, Dignity and Respect – Volume 3a – The New System", 2021
5 Royal Commission into Aged Care Quality and Safety, "Final Report: Care, Dignity and Respect – Volume 3b – The New System", 2021
6 Department of Health and Aged Care, "A New Program for In-Home Aged Care", 2022
7 For the purpose of this analysis, the full spectrum of personal care services are included in Option 2. Please refer to Section 3 for commentary on how this might be impacted by the proposed Support at Home reforms.
8 High level guide only based on acuity of customers that typically access existing funding. Services offered under proposed models are a sub-set of available services in existing CHSP and HCP programs and are therefore not directly comparable.
9 List of benefits is non-exhaustive – benefits mentioned are specific to customers and only highlight key themes in the examples provided. Broader benefits to the Government, village operators and the health system are not included.
10 Indicative percentages for a sample village. These percentages do not represent the average distribution within the RV sector.
11 Individual assessments determine total supplemental funding amount given to providers.
12 Analysis based on a framework provided by Ryman. Sources: PwC analysis; RLC Care and Support Services Sub-Committee Consultation; Ryman, 'In-Home Aged Care for Retirement communities', provided 3/11/23
13 Weighted average funding per person per day is derived from the current number of people receiving CHSP and HCP1-4 levels of care and their current associated funding (refer to Appendix D for additional detail on this methodology)
14 Varied uptake of each model has been shown based on the assumption that 100% adoption across all village residents may not be achievable. Sources: PwC analysis; RLC 'shared care' Committee Consultation; Ryman, 'In-Home Aged Care for Retirement communities', provided 3/11/23
15 Australian Institute of Health and Welfare, Spending on Aged Care
16 Sources: PwC analysis; IBISWorld – Retirement communities in Australia; 2022 PwC / Property Council Retirement Census; Industry-informed assumptions.
17 Department of Health and Aged Care, 'Support at Home to be rolled out in two stages'
18 Department of Health and Aged Care, "Progress Report: Implementation of the Recommendations of the Royal Commission into Aged Care Quality and Safety", 2023
19 Department of Health and Aged Care, "A New Program for In-Home Aged Care", 2022
20 Department of Health and Aged Care, "Report on the Operation of the Aged Care Act 1997", 2022
21 Department of Health and Aged Care, "Home Care Packages – Program Data Report", 2022
22 Department of Health and Aged Care, "About the CHSP", 2023
23 Royal Commission into Aged Care Quality and Safety, "Final Report: Care, Dignity and Respect – Volume 3a – The New System", 2021
24 Department of Health and Aged Care, "Reforming in-home aged care to prioritise independence", 2023
25 Department of Health and Aged Care, "A New Program for In-Home Aged Care", 2022
26 Retirement Living Council, "Better Housing for Better Health", 2023
27 Bloomfield et al. "Changes in hospitalisation rates in older people before and after moving to a retirement village", 2023
28 Analysis based on a framework provided by Ryman. Source: PwC analysis; RLC Care and Support Services Sub-Committee Consultation; Ryman, 'In-Home Aged Care for Retirement communities', provided 3/11/23

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