

30 September 2026

Ms Danielle Wood
Chair Productivity Commission

Via email: housing.supply@pc.gov.au

Dear Chair

Housing Supply Regulation Interim Report

Ageing Australia is the national peak body representing organisations providing aged care, retirement living, seniors housing and related services to older Australians.

Housing supply is a key component of our work on what ageing well should look like in Australia by 2050 and the policy, funding and service settings needed to support it.

Our [Continuum of Ageing 2050](#) strategic initiative spans housing, health, aged care, retirement living and community support. One of the most consistent themes emerging through our extensive engagement with stakeholders across Australia in relation to this initiative has been the importance of housing. This includes how supply and infrastructure will need to respond to an ageing population and the downstream impacts on health and aged care services if appropriate housing does not keep pace. Inadequate housing supply for older people may also increase pressure on family and informal carers, with flow-on impacts on workforce participation and productivity.

We welcome the Productivity Commission's Housing Supply Regulation Interim Report and support its proposed principles of adopting a 'build' mindset, regulating only where necessary, coordinating housing with infrastructure and keeping planning processes simple.

Our submission focuses on the application of these principles to retirement living, seniors housing and developments incorporating residential aged care and other services for older Australians, together with the housing needed for aged care workers, particularly in rural and remote areas.

Our recommendations

R1: Retirement living and seniors housing should be treated as part of mainstream housing supply, rather than as specialist uses considered separately from broader housing strategies.

R2: Develop a nationally consistent approach to recognising retirement living, seniors housing, residential aged care and co-located aged care across these offerings as strategically important community infrastructure, that includes cross-jurisdictional collaboration to foster innovation at scale nationally.

Ageing Australia

Suite 2, Level 2, 176 Wellington Parade | East Melbourne VIC 3002 Australia

ABN 19 659 150 786 | ageingaustralia.asn.au | info@ageingaustralia.asn.au

Page 1 of 6

R3: Review planning definitions applying to retirement living, seniors housing and residential aged care and streamline integrated developments.

R4: State and local infrastructure planning should explicitly account for population ageing, including future demand for health, aged care and community infrastructure, and the housing needs of the workforce required to deliver these services, alongside housing growth.

R5: Governments should streamline approval pathways for retirement living, seniors housing and residential aged care developments by reducing duplication between local and state authorities, coordinating referrals and providing a clear escalation pathway for complex projects.

Housing supply needs to reflect an ageing Australia

Much of the housing debate has focused on helping younger people enter the market.

As the population ages, there also needs to be a stronger focus on whether the housing being delivered will meet the needs of older people.

The longer-term demographic shift is substantial. The recently released 2026 Intergenerational Report projects that Australia's population aged 65 and over will continue growing, with the 85-plus populations increasing most rapidly and expected to triple by 2065-66.¹ At the same time, retirement living occupancy has reached 91 per cent, with much of the remaining vacancy reflecting the time required to refurbish and reoccupy units rather than an absence of demand.²

The supply required to respond to this demographic change is significant. StewartBrown's Retirement Living Performance Report FY25 estimates that approximately 51,000 additional retirement living units will be required by 2030 simply to maintain the current penetration rate of around 12 per cent of Australians aged over 75. Against an estimated existing national stock of approximately 229,000 units, this would require growth of around 22 per cent. Yet participating operators currently project supply growth of only 16 per cent between FY26 and FY30.³ Without additional development, the proportion of older Australians able to access retirement living will decline.

The need for substantial new residential aged care capacity over coming decades is already well established. The Australian Government has projected a need for an additional 10,000 residential beds per year over the next 20 years – an average growth rate of 3.6%.⁴ However, over 2024-25 only 800 new beds were built.⁵ As demand grows, the ability of providers to develop new and replacement facilities will depend on projects remaining financially viable and being able to progress through planning and approval processes in a timely and predictable way.

This is becoming very difficult. The 2026-27 AN-ACC price - the principal funding rate for residential aged care - recently increased by only 2.55 per cent, from \$295.64 to \$303.19 per resident per day. This increase does not keep pace with rising operating costs, including a 4.75 per cent increase in aged care wages, further limiting the capacity of providers to invest in the new beds required to meet future demand.⁶

This pressure is occurring in an increasingly difficult development environment. Rising construction costs and competition for land, labour and materials continue to place

¹ Australian Government Treasury, [2026 Intergenerational Report](#), September 2026, Executive Summary, p. xii.

² StewartBrown, [Retirement Living Performance Report FY25](#) p. 5.

³ Ibid p. 19.

⁴ Department of Health, Disability and Ageing, [Financial Report on the Australian Aged Care Sector 2024-25](#) (June 2026), p15

⁵ 'Aged care bed growth falls sharply as demand surges' Inside Ageing, 17 October 2025

⁶ Ageing Australia, '[Residential care funding falls short](#)', media release, 3 September 2026,

pressure on retirement living, seniors housing and residential aged care development pipelines. These developments are capital intensive, and access to capital and cash reserves is fundamental to bringing new projects forward. Regulatory and policy settings that increase cost, delay or uncertainty can therefore affect development viability.

These conditions make the efficiency of the planning system important. For a large retirement living, seniors housing or residential care development, a lengthy planning process does not simply delay delivery. It exposes the project to additional holding and financing costs and potentially significant increases in construction costs before works have commenced. A project that was viable when an application was lodged may no longer be viable by the time approval is received.

This directly reflects the Commission's finding that slow and complex approvals can make developments unviable, and that poor coordination between governments, referral authorities and infrastructure providers can add months or years to project timelines.

1. Adopt a 'build' mindset

Ageing Australia supports the Commission's proposal that planning systems should place greater weight on enabling housing supply and restrict the location or form of housing only where there is a clear justification. That approach should extend explicitly to retirement living and other forms of seniors housing. Careful consideration should also be given to how that can be appropriately extended to residential aged care and housing for aged care workers.

Ageing Australia's 2026 community expectations research, which forms part of our Continuum of Ageing 2050 work, found that 56 per cent of respondents want to age at home, 30 per cent of respondents would prefer to move to a retirement village or another form of seniors housing as they age, while half expressed an interest in downsizing.⁷

Increasing the availability of these housing options has implications beyond seniors housing itself. It can provide older Australians with greater opportunities to move into appropriately designed housing while potentially releasing larger established homes into the broader housing market.

Population ageing should therefore be incorporated into strategic housing planning. Federal, state and local housing strategies should assess future demand for age-appropriate housing and provide sufficient development opportunities in established residential and mixed-use locations close to transport, health services and community infrastructure.

Our stakeholder engagement for Continuum of Ageing 2050 has highlighted that cross-jurisdictional collaboration is imperative to meet the housing needs of an ageing population. Collaboration across all levels of government provides an opportunity to foster innovation at scale, while also harnessing local strengths and adapting housing to local needs.

South Australia provides a useful emerging model. Amendments made in September 2025 formally brought 'aged care facilities' within the definition of essential infrastructure under the *Planning, Development and Infrastructure (General) Regulations 2017*. The definition covers facilities providing supported accommodation for older people and expressly includes 'a retirement village that is co-located with an aged care facility'.⁸ This

⁷ Ageing Australia, [Ageing in Australia Community Expectations Report](#) March 2026 – p. 12

⁸ Planning, Development and Infrastructure (General) [Regulations 2017 \(SA\), reg 3DA](#)

means eligible developments can access the Crown Development and Essential Infrastructure assessment pathway, where appropriate state sponsorship is obtained.

The South Australian Government has described the change as recognising the 'critical role [of aged care developments] in community wellbeing' and has also established a dedicated aged care case-management service to assist proponents through the planning system.⁹ There is merit in considering how this approach could be scaled nationally.

The Productivity Commission should recommend that all states and territories examine mechanisms to recognise residential aged care, retirement living and aged care worker housing as strategically important housing and community infrastructure, with clear pathways for state-level assessment and coordinated case management.

Consideration should also be given to whether similar priority pathways should apply to significant standalone retirement living, seniors housing and residential aged care developments in areas of demonstrated need.

Recommendation 1: Retirement living and seniors housing should be treated as part of mainstream housing supply, rather than as specialist uses considered separately from broader housing strategies.

Recommendation 2: Develop a nationally consistent approach to recognising retirement living, seniors housing residential aged care, co-located aged care and aged care worker housing as strategically important community infrastructure, that includes cross-jurisdictional collaboration to foster innovation at scale nationally.

2. Only regulate where necessary

The distinction between housing and care is also changing.

StewartBrown reports that 56 per cent of retirement villages in its dataset are co-located with residential aged care, reflecting the increasingly close relationship between retirement living and the delivery of support and care as residents age.¹⁰ Contemporary developments may combine independent living, communal and wellbeing facilities, allied health, home care, assisted living and residential aged care within the same precinct.

Planning systems do not always accommodate these models well. Different components of one development can fall under different land-use definitions, approval pathways or referral requirements despite forming part of a single community.

Appropriate regulation is necessary to manage safety, amenity, accessibility and environmental impacts. However, planning regulation should be based on the actual impacts of a development, rather than creating additional complexity simply because housing, care and community services are being provided together.

Recommendation 3: Review planning definitions applying to retirement living, seniors housing and residential aged care and streamline integrated developments.

⁹ Government of South Australia, PlanSA, [New policy and assessment pathways for retirement and aged care facilities](#), 2026

¹⁰ StewartBrown [Retirement Living Performance Report FY25](#) p. 5

3. Coordinate housing with infrastructure

We support the Commission's principle that housing and infrastructure should be planned together, and that developer contributions should have a clear connection to the infrastructure required by a development.

For retirement living and seniors housing, this means planning for transport, health, aged care and community services alongside housing. Access to these services becomes increasingly important as people age, particularly for those with reduced mobility or who no longer drive. This speaks to the need for strong cross-jurisdictional strategic housing planning to ensure that the services required by older people are considered alongside their housing needs.

Planning for aged care services should also consider workforce housing. In regional and remote areas, a lack of suitable, affordable housing can hinder recruitment and retention, leaving care capacity difficult to staff even where demand is clear.

Housing for older Australians should therefore be planned in locations with good access to the services and infrastructure people are likely to rely on as they age.

Recommendation 4: State and local infrastructure planning should explicitly account for population ageing, including future demand for health, aged care and community infrastructure, and the housing needs of the workforce required to deliver these services, alongside housing growth.

4. Keep the process simple and foster innovation in care models

Ageing Australia strongly supports the Commission's focus on simple, timely and predictable approvals.

This is particularly important for large, capital-intensive developments. Retirement living, seniors housing and residential aged care projects can involve substantial upfront investment and multiple planning, infrastructure and referral authorities. Uncertainty around the duration or outcome of approvals increases development risk and the cost of capital.

Ageing Australia has heard from members that have experienced very lengthy planning and approval processes. In a construction environment already experiencing significant cost pressures, these delays can materially affect project feasibility.

The Commission proposes greater use of fast-track pathways, state-significant assessment, coordination bodies capable of resolving disputes between agencies, technology and transparent reporting of approval performance.

Recommendation 5: Governments should streamline approval pathways for retirement living, seniors housing and residential aged care developments by reducing duplication between local and state authorities, coordinating referrals and providing a clear escalation pathway for complex projects.

We see an intersection with the Productivity Commission's work on housing and our Continuum of Ageing 2050 project.

As we noted in our previous submission to the Commission's inquiry into delivering quality care more efficiently, policy and regulatory settings need to enable innovation in

care models.¹¹ Housing will be an important part of this. Retirement living and seniors housing can provide a platform for home and community care, entry-level supports, allied health and other services to be delivered around older people as their needs change. Woodbridge Retirement Village's *Living Well* trial with HammondCare provides one example, bringing dementia expertise and support into the village to help residents experiencing cognitive decline remain independent, connected and healthy within their existing community for longer.¹²

As new housing for older people is developed, planning systems should be sufficiently flexible to accommodate these evolving models and avoid creating unnecessary barriers where housing, care and community services are brought together.

We welcome the opportunity to meet and discuss our submission further. Please contact Mark Prosser, Director Retirement Living & Seniors Housing at [Redacted] or Anne Liddell, Head of Strategic Policy at [Redacted]

Yours sincerely

Timothy Bowen
General Manager Policy

¹¹ Ageing Australia, [Ageing Australia submission to Productivity Commission inquiry into delivering quality care more efficiently](#), 16 June 2025.

¹² HammondCare, ['Living Well addresses unmet need for dementia support in retirement villages'](#), 27 April 2026.