SUBMISSION TO THE PRODUCTIVITY COMMISSION

CARING FOR OLDER AUSTRALIANS: INQUIRY INTO AGED CARE

July 2010

Australian Unity
RETIREMENT LIVING | WELLBEING

Authors and contact details:

Derek McMillan
Group Executive – Australian Unity Retirement Living

Kaele Stokes
Strategic Projects Manager – Australian Unity Retirement Living

Table of Contents

1. Introduction

Australian Unity has been dedicated to enhancing the wellbeing of Australians for 170 years. We support the quality of life of our members and the broader Australian community through the provision of high-trust products and services that respond to the care, accommodation and financial needs of a population increasingly afflicted with the challenges of ageing and chronic disease.

We have some 300,000 members, more than half a million customers, and in additional to our health and investments businesses, we are experienced providers of service-rich accommodation options in New South Wales and Victoria. Our Retirement Living operations span 15 retirement villages and four residential aged care facilities, in addition to transition care, day respite, slow-stream rehabilitation, in-home respite and more than 100 community care packages (Community Aged Care Packages and Extended Aged Care at Home packages). Our model of care is based around the delivery of innovative, flexible and high quality homes and services to clients with varying degrees of dependence, care needs, situations and circumstances. Our independent living residents are predominantly aged 80 years and older, and are increasingly purchasing domestic and home care assistance in addition to funded packages.

As participants in a number of federal and state pilot programs (including the Retirement Villages Ageing in Place Initiative Pilot Program and Day Respite pilot with the National Respite for Carers Program in NSW, as well as a Victorian-based psychogeriatric pilot program), Australian Unity has a strong history of working in cooperation with various levels of the Australian Government to explore innovative service delivery models that better support and enhance the quality of life of ageing Australians. Our broad vision is encapsulated by the Australian Unity Wellbeing Index, a joint project between Australian Unity and Deakin University's Australian Centre on Quality of Life, which is widely recognised as the leading and most comprehensive measure of wellbeing in Australia. The Index measures personal wellbeing and quality of life through an individual's expressed satisfaction with their health, safety, personal relationships, community connection, achievements, future security, spirituality and standard of living.

Australian Unity's experience as one of the larger integrated retirement village, aged care and community care providers means that we are well placed to reflect upon the state of the aged care sector in its broadest meaning. To that end, Australian Unity acknowledges recent governmental attempts to incorporate a greater level of consumer-directed and consumer-protecting measures via

discrete pilot programs and small-scale legislative changes. Nevertheless, we strongly support the wider concern in our industry that, without significant, broad-scale reforms, the creeping decay of Australia's aged care sector will not be halted. This is no better illustrated than in the activation of bed licences allocated over the last five years. If the aged care system was operating effectively, why is it that half of the aged care places allocated in 2005 remain inactive?

Providers will fail in their mission to care for current and future generations of older people because they are hampered at every turn by an industry structure where supply, funding, demand and costs are out of step. Command and control style regulation, implemented in a piecemeal manner, results in an overly-burdensome compliance framework as well as inadequate capital and recurring funding. Effective competition is suppressed, along with the service innovation that is critically required to respond to demographic changes and improve the quality of life of residents and clients – surely the measure of an effective aged care industry.

Australian Unity therefore welcomes the Productivity Commission's Inquiry, *Caring for Older Australians*, and is pleased to contribute to what we hope will be a meaningful review and subsequent reform of an industry that is no longer sustainable for providers, for the government, and most importantly, for consumers. In essence we argue that reforms need to recognise and address:

- the need for significant legislative change to address regulatory inefficiencies;
- the pressing need for more equitable access to retirement living, aged and community care services;
- the current barriers to service innovations that would promote or enhance a client's quality of life;
- the financial sustainability of the industry;
- the importance of comprehensive transition arrangements that protect residents by facilitating service continuity.

Our industry requires the tools and infrastructure to allow providers – whether of health, disability or ageing services – to take a whole of person approach, spanning health enhancement, socialisation opportunities and self development. Outcomes from government pilot programs in retirement communities suggest that an integrated service proposition can deliver socio-economic benefits to older Australians. To that end, Commissioners are invited to visit one such Australian Unity community to witness how valuable even modest reforms could be for older people and their carers.

2. Background

The Issues Paper released by the Productivity Commission in May 2010 provides an appropriate summary of the key issues underpinning the *Caring for Older Australians* Inquiry – issues that have long been recognised and debated in the public domain, most notably through Hogan's *Report of the Review of Pricing Arrangements in Residential Aged Care* (2004), the Productivity Commission's *Trends in Aged Care Services: Some Implications* (2008), the Senate Standing Committee's report on *Residential and Community Aged Care in Australia* (2009), the National Health and Hospitals Reform Commission's *A Healthier Future for all Australians* report (2009), the Productivity Commission's *Review of Regulatory Burdens: Social and Economic Infrastructure Services* (2009), and the Henry report on *Australia's Future Tax System* (2010).

Yet, despite the recent positive steps outlined in the Government's plan, *A National Health and Hospitals Network: Further Investments in Australia's Health* (2010), including the creation of a nationally unified aged care system, the proposed investment of $739 million in aged care (reported as equating to some 5,000 places and 1,200 packages of care) and the introduction of 'one stop shops' to ensure easier access to aged care information and advice, these measures do not address in any meaningful way how to:

- manage the future increase in demand for aged care services, as the number of people aged 65 and over surge in the next 40 years and those 85 and over quadruple;
- efficiently address the increasing prevalence of multiple, complex health and neurodegenerative conditions, which result in higher associated medical and care costs;
- cater to the consumer demand for increased choice, flexibility and service range, including the availability of service delivery in the home;
- balance the financial limitations of older people (most of whom rely on the age pension) with the fiscal pressures on government;
- counter the current and projected shortage of an appropriately trained workforce to support the needs of an ageing population; and
- deal with the consequences of the projected shortage and ageing of informal and unpaid carers.

3. Reform Directions

Where Australian Unity's voice may be valuable in this Inquiry is in our experience as a provider of the full spectrum of accommodation and services for older Australians: independent living to assisted living (both in retirement villages and in the broader community), right through to high level residential aged care. Given our participation in what are essentially three differently administered and legislated systems (retirement villages, aged care and community care), Australian Unity has witnessed first-hand many of the barriers preventing older people from accessing the level of accommodation and care they require, when they require it, and in the form they wish it. We therefore recommend that the Productivity Commission considers the following reform directions.

3.1 Sustainability of funding mechanisms

The financial return achieved by aged care operators is below sustainable levels. Optimum service delivery is compromised and ageing facilities are not being rebuilt. The funding of aged care is unsustainable, from both a capital funding and an operational perspective. The regulatory restrictions on accommodation bonds for high care residents, the inadequacy of current indexation methods to meet basic living and care expenses and the variations between aged and community care subsidy calculations all lead to diminished investment in the sector.

While Stewart Brown's surveys of aged care financial performance consistently highlight the steady deterioration in the operating results of providers,[1] the 2010 *Annual Survey into the Australian Aged Care Industry* undertaken by Deloitte illustrates the inability for many providers to plan future aged care developments. Three quarters of those surveyed indicated that they have no intention of expanding their operations through acquisition of existing services and 61% have no intention of undertaking any new construction activity. Almost half of respondents indicated that debt finance was their principal funding vehicle, but only 35% of these were confident in securing that finance.

A little-cited but extremely illuminating statistic that supports this picture of diminishing aged care investment can be found in the Senate Official Hansard for 4 February 2010, which cites the total of low care and high care places allocated in Aged Care Approval Rounds between 2003 and 2009 but not yet made operational. In 2004, for example, 8,905 places total were allocated; as at February

[1] Stewart Brown, *Aged Care Financial Performance Survey*, *Year Ended 30 June 2010* (2009).

2010, some 2,407 or 27% of these places are still not operational. 54% of places allocated in 2005 are still pending activation, and the figures for 2006 and 2007 rise to 62% and 82% respectively. Even if the possibility of delays in planning approvals or similar are considered, the fact is that a significant number of providers simply cannot bring aged care places on-line under the current funding model, despite the inherent demographic growth of the sector.

Australian Unity believes that, without a significant rebalancing of both accommodation and care costs and a reconsideration of who should pay and what they should pay, the residential aged care industry will further deteriorate, preventing the service delivery expected by the community and increasing pressure on carers and community care services until these too collapse.

In short: flexible, high quality service delivery is borne out of a healthily competitive environment. Competition is best stimulated through investment in new accommodation and service innovations – but innovation is not possible in an environment in which providers' revenue and services are so tightly controlled, often at prices below cost, that they are unable to expand or tailor their services to meet the changing needs of residents and clients.

RECOMMENDATIONS

i. **Allow more scope for partially subsidised, consumer-directed options and remove disincentives for people to contribute to their future care needs through equity release and savings schemes.**

Australian Unity urges the investigation of equity/capital release schemes that support consumer investment into retirement villages or similar seniors accommodation that allow for the efficient provision of ageing-in-place community services. A 'Seniors Living Scheme' could facilitate downsizing from the family home to more appropriate seniors housing and in doing so, free up equity to assist in care provision. Such a scheme could be cost-neutral or better to government yet deliver improved health and social outcomes for participating individuals. It also recognises that consumers increasingly prefer to rely on a range of community care options for as long as possible, delivered within the accommodation setting of their choosing, such as their current home or independent living unit.

There is currently a disincentive for part or full pensioners to release equity from the family home to assist with living or care costs. If people aged 75 or over were able to sell their current home and move into seniors living housing without a significant diminution of their pension, it would have three major benefits to the community. Firstly, this scheme would increase the availability of community care because it would allow

more efficient delivery of health and care services. The higher density living in retirement communities is a more resource efficient delivery mechanism, supporting more care for the same dollar while at the same time, enabling an increase in the frequency of service for individuals requiring such care. Secondly, it would encourage those who have a significant asset in their current home to upgrade to what may be more appropriate housing yet at the same time contribute to the cost of services they benefit from. Thirdly, the scheme would also preserve and expand available family-sized housing stock in established suburbs, thus supporting an important community priority to efficiently increase the availability of housing for young families.

How could this scheme work?

An 80 year old sells their current home in a well-established middle suburb for, say, $850,000. Statistically, this person is likely to be a full pensioner. They purchase a retirement unit in a nearby suburb for $500,000 and after all selling and relocation costs, have realised over $300,000.

Currently, this money would result in a *reduction* of their pension by up to 70% and, given the uncertainty of investment markets, create no improvement in perceived financial security and quality of life. If, however, these funds were excluded from the aged pension assets and income tests, or contributed to a retirement financial instrument in some form, a disincentive for older Australians to contribute to their future care costs would be removed.

The option of specified purpose financial instruments and insurance schemes (or similar) have been considered for disability funding and are available in other western countries. One recent initiative is the Community Living Assistance Services and Supports (CLASS) Act in the United States, which is a national, voluntary insurance program to facilitate community living services and support. The program is financed through monthly premiums paid by voluntary payroll deductions (on a sliding scale) and individuals receive a cash benefit based on their degree of assessed need.

It is time for a new category of financial instrument to efficiently facilitate the necessary investment in this sector. We urge the Productivity Commission to recommend the removal of the current disincentives (as outlined above) and in doing so, we predict that the market would respond by creating innovations to support the broad proposals outlined here.

ii. Further uncouple accommodation and care costs.

Separation of the cost of accommodation from the cost of care service provision is already established in the delivery of community care into residential homes and retirement units and to some extent in low care

residential services, with the quantum of accommodation bonds paid generally correlating with better standards of accommodation. Further extending this established principle to all aged care services will stimulate competition between providers and allow the varying preferences and wealth of clients to be better matched with service delivery.

iii. Benchmark the real costs of care and accommodation provision across the aged, retirement and community care sectors and determine the most efficient split between client contributions and government subsidies.

Relative to the cost of care delivery in residential aged care and retirement villages, providers would attest that 24 hour high care cannot be delivered cost-efficiently into suburban houses, yet little data exists on the relative efficiencies of care delivery in each setting. Benchmarking these costs will allow more efficient resource allocation and, without taking away consumer choice, enable a more rational basis for client contributions to the overall cost of care in each setting.

iv. Abolish the restrictions on high care bonds (and abolish 'low care' and 'high care' categories in residential and community aged care, as outlined below) to encourage investment in residential aged care by investors and operators.

Recent increases in the provision of community care places over residential aged care supports consumer preferences to remain in an independent living setting for as long as possible. However, not everyone can be supported in the home and at the same time, funding for the lowest levels of residential care has been cut. These two issues have meant that providers have to adapt their business models to cope with the increasing proportion of high care services delivered in their facilities. However, the sector has so far failed to find a sustainable business model that supports this shift to higher dependencies in residential care.

Providers also recognise that with increasing longevity and a rising incidence of dementias, the role of residential aged care will continue to change further in the future. Notwithstanding this, uncertainty over government policy, combined with the poor returns and dismal outlook for the sector, has led to insufficient investment in residential care and a bleeding of capacity from the system.

A significant proportion of older people currently receiving community care services will inevitably require residential care. However, this 'wave' of high care clients will not be adequately served by a system in which capacity for residential care delivery has been restricted through slow build-rates and the absence of capital support for high care delivery. Without action to support capacity building, residents will be unable to gain access to appropriate care and a surge in hospital demand will be inevitable – and with that, higher per-day care costs.

In our experience, under current arrangements, the cost to purchase land and build an aged care facility to meet the care needs of the community is more than the available accommodation bond income from only low care residents. The ability to debt finance this type of development therefore reduces unless higher equity contributions are made. Higher equity contributions and a slow, long tail for equity return often renders development of new residential aged care facilities unviable as the return (if any) is not commensurate with the level of risk. A mismatch between low margins and high risk (both finance and construction) therefore renders this style of development unattractive to capital providers/ developers and impedes the supply of operational places in spite of the inherent demand. Providers will continue to experience funding difficulties unless all residents with the ability to pay for their accommodation contribute in a meaningful way.

3.2 Role of Retirement Villages and Seniors Accommodation

Although it has been acknowledged in the Productivity Commission's Issues paper that retirement villages are playing an increasingly important role in accommodating older Australians, the retirement village industry is viewed and treated by most as a distinct and separate accommodation and service model from that of aged care. It is striking that, until its appearance in the Commission's Terms of Reference, there have been no serious, broad-scale moves towards streamlining, utilising or engaging the retirement village with the community care or aged care sectors. Nor has there been any recognition at governmental level of the economic, social, health and planning benefits of retirement villages and their suitability as an element of social infrastructure for an ageing Australia.

Australian Unity operates accommodation and services spanning all of these elements, so we have become increasingly aware of the synergies and benefits offered by a more integrated approach to aged-specific accommodation and services. In our experience, community care can be provided efficiently into retirement communities, with residents benefitting from the scale efficiencies that come from providers who are able to offer a flexible range of services to suit the residents' needs without the inefficiencies engendered by broad geographic spread.

As participants in the 2003-04 Retirement Villages Care Pilot, we witnessed firsthand the improved wellbeing residents experienced in receiving packages of care earlier than might otherwise have been the case. We were also able to provide personalised services that had high preventative care and social support benefits (such as brief daily visits to support medication management, which also highlighted the sense of social isolation experienced by the resident and meant

that lifestyle activities and socialisation could be offered – and personal wellbeing enhanced), at relatively low cost given the co-location of residents on a single retirement village site.

Yet there are real and perceived barriers to older Australians entering retirement villages and benefitting from associated support services. There is also a lack of service coordination between care providers, retirement village/seniors accommodation operators and government funding mechanisms.

RECOMMENDATIONS

i. Remove the distorting barriers for consumers to adopt retirement village/seniors accommodation options.

A move into a retirement village is fully resident-funded, with the majority of tenure structures founded on the sale of the family home (or the availability of cash/assets which will cover the entry fee). Residents of retirement villages could be offered incentives to recognise the reduced burden on government funding they incur by moving into community living settings, such as through a community living supplement or additional carers supplements.

See also above, Section 3.1.i for discussion of equity release incentives.

Consideration could also be given to a closer alignment between entry into a retirement village and care provision, such as automatic access to community care packages (where assessed as required by existing Aged Care Assessment Teams), regular health checks and similar preventative health initiatives.

ii. Remove punitive tax treatments in the construction of retirement villages.

As is the case for aged care developments, retirement villages (or similar) typically experience slower, lower development returns than other residential communities and are therefore more difficult to secure the necessary debt funding.

To compound this, the recent draft ruling issued by the Australian Tax Office (ATO) regarding the treatment of GST in retirement village developments provides a disincentive to invest in seniors accommodation. In addition to suppressing vitally needed new investment in affordable housing for the aged, such a treatment could both immediately render existing villages unsaleable and also place many current developers at risk of breaching bank covenants. In addition, the current ATO view would place a question mark over future investment in existing villages, including the upkeep of facilities and herald a significant decline in the value of a resident's main asset.

Consideration should instead be given to recognising the resource efficiency retirement villages provide to the aged care sector and the social benefits to residents and eliminate tax disincentives for retirement village construction. This should include confirming that no GST is payable on resident loans on the sale of co-located retirement villages and aged care facilities.

iii. **Investigate the under-utilisation of serviced apartments in retirement villages and provide appropriate funding to residents and/or providers, which would assist affordable living and maximise existing service and accommodation infrastructure, stimulate future investment and maintain service delivery efficiencies.**

Consideration should be given to rewarding retirement village providers who facilitate on-site support programs that lead to an improvement in preventative health, socialisation and personal development opportunities for residents. This could be achieved, for example, by prioritising community care packages for accredited retirement villages (or similar) who offer (or broker) on-site service availability.

Residents currently residing in serviced apartments pay for their own care. Many of these residents would be eligible for low care residential support but choose to live outside a 'nursing home'. The shortage of community care packages means that many of these residents do not have access to such services. Under a more equitable system, anyone dwelling in an approved form of seniors accommodation should be automatically eligible for subsidised care services.

iv. **Create a forum that encourages closer engagement between government, consumer and seniors accommodation stakeholders (via peak bodies such as the Retirement Village Association) to better understand the retirement village product and its role in broader community infrastructure, health and planning.**

Australian Unity's annual resident survey, which is founded on the disciplines of the Australian Unity Wellbeing Index, reveals that residents in retirement villages have significantly higher wellbeing compared to the general population. Our data revealed that residents in Australian Unity villages rated their personal wellbeing at 80.3 points in 2009, compared with a like (age demographic) sample of people living outside retirement villages (who scored 77 points). The Deakin researchers noted this was statistically significant and thus noteworthy, since the Index's ten years of research has found that Australia's wellbeing is generally fixed within a small band between 73.5 and 78.5 points. These findings therefore highlight the importance – and the impact – of well designed and flexible accommodation and care services that focus on improving the quality of life of residents.

There should be greater recognition of the important role of seniors accommodation in broader planning, community and health infrastructures. Not only will support of retirement-village-style downsizing result in a greater level of private housing availability for young families within established suburbs, but the more efficient and tailored delivery of support services possible in higher density living could lower the cost and rate of cost inflation and reduce demand on acute health services.

3.3 Access and choice

The Consumer-Directed Care pilot acknowledges that current and future consumers of health and ageing services expect a greater choice, diversity and flexibility of accommodation and care options. Industry reforms must therefore permit and even incentivise innovation in the provision of age-appropriate housing as well as support services that promote health, independence and broader individual wellbeing. To achieve this, the government should consider the following:

RECOMMENDATIONS

i. **Removing the supply constraints on the provision of aged and community care places and ensuring that entitlement is assessed on the basis of need.**

   There is no humanitarian basis for the denial of care services to eligible seniors, yet artificial regional allocations and inadequate supply means that every day people are asked to wait for a package to become available before services can be provided. Access to the Pharmaceutical Benefits Scheme or unemployment benefits are not rationed by geographical region (or any other factor), so why are aged care services?

ii. **Allowing consumers to choose their service mix and delivery model and their preferred service provider.**

   Australian Unity recommends investigation of the 'Programs of All-Inclusive Care for the Elderly' (PACE) service model in the United States, in which eligible adults (aged 55 and over) who would otherwise require high level residential care are entitled to an interdisciplinary range of community-based care and services, including primary care, nursing care, prescription drugs, physical therapy, occupational therapy, day care, meals, social services and transportation. These programs of care, which are funded through the public health system (Medicare equivalent), are reimbursed on a fixed per member per month rate, with the provider then responsible for all of the health and care services their client requires. PACE providers therefore have a strong incentive to assist their

clients to remain as healthy as possible and invest in a high level of preventative services. This in turn lowers the number of expensive hospitalisation episodes and allows for redistribution of government funding to better subsidise whole-of-person care and support structures. This style of reform could be combined with private insurance-style schemes that encourage those who can afford it to set aside funds to contribute to their future care (with appropriate incentives).

There are working attempts to move in this direction and on a smaller scale, Australian Unity has a wellbeing hub of services in Western Sydney, spanning independent living, residential aged care, community care, rehabilitation and day respite services. The integration and alignment of these accommodation and service streams allows for a smoother transition of services from one level to another and results in a greater level of cross referrals, cross participation and higher levels of client wellbeing.

iii. **Allowing providers who have the capacity to provide more services do so to ACAT-qualified clients without having restrictions on the number of places/packages.**

iv. **Promoting a case management approach by providers that not only spans care services (including palliative care, dementia care, respite and transition care) but also a broader wellbeing focus that supports the inclusion of health enhancement, socialisation, advocacy and personal development services.**

Australian Unity suggests that, in the context of residential aged care, approved Quality of Life programs could attract additional ACFI points (beyond the current categories of 'activities of daily living', 'behaviour supplement' and 'complex healthcare supplement'). Effective delivery of such programs today will result in reduced funding, so provides a disincentive for providers to invest in improving the quality of life of residents. Compensating providers who demonstrably reduce the ACFI score of clients by way of financial supplements (e.g. 50% of ACFI difference between their old and new score retained by the operator) better aligns payment with desired outcomes.

v. **Streamline planning across sub-acute, community and aged care systems.**

A single system of planning regions, rather than the current arrangement of federal, state, regional, health and local service boundaries is an existing impediment to an efficient aged care system. While boundaries would have to be carefully transitioned to ensure existing service continuities, a single demarcation system would allow far greater provider flexibility.

3.4 Quality

While the replacement of a place-based aged care system with a more competitive, integrated needs-based system of support would enhance and expand the quality and breadth of service provision for consumers, consumer protection measures should not be forgotten. A system of accreditation and compliance remains vital in the provision of quality care, by qualified, appropriate providers. However, as reviews of the Accreditation system and Complaints Investigation Scheme have demonstrated, the vast majority of industry stakeholders believe the current system of regulation and legislation is unduly output (rather than outcome) driven and comes at the expense of efficiency and service quality.

RECOMMENDATIONS

i. **Ensure that there is a single entry point to the health and ageing network so that the eligibility of government-subsidised clients is consistently assessed and monitored.**

ii. **Introduce quality of life measures in accreditation standards.**

iii. **Ensure that there is regulatory and funding protection for those disadvantaged and special needs groups for whom additional support is required.**

3.5 Workforce

Given that just under half of Australian Unity's total workforce is employed within our Retirement Living and aged/community care business, we are keenly aware of the increasing workforce supply issues in aged and community care, not to mention escalating wage cost pressures and the need for detailed planning, training and education that will sustain the health and ageing sector in the long term.

The industry is facing human resource challenges caused by an ageing workforce, a shortage of volunteers and informal carers, difficulties in attracting and retaining skilled nurses and allied health staff, all of which are compounded by a lack of competitive remuneration industry-wide. Technological advances and greater staffing efficiencies cannot eliminate the labour-intensive nature of aged and community care work – only a certain level of productivity and efficiency gains can be achieved and current industry structures do not allow for staffing flexibility or skills transfers across health and ageing sectors where staff rotation may be of benefit.

Care staff increasingly struggle to balance care outcomes, clinical support and regulatory/administrative requirements and staff turnovers can be disruptive to clients and residents and undermine their greater wellbeing. Suggestions to combat workforce challenges include:

RECOMMENDATIONS

i. **Provide more entry level training, including training conducted in the first languages of migrants to enable better support of the increasing diversity of residents.**

ii. **Creating a certificate training program for all areas of care provision, whether residential or community care, to improve skills and facilitate a more flexible workforce.**

iii. **Greater financial support for pastoral care workers, who can take pressure off many care workers (who often fill this void for residents with limited family support/networks).**

4. Transition Arrangements

Although industry change must be both widespread and comprehensive, interim steps that should be considered as part of transition arrangements include:

- Introduction of high care bonds in residential aged care;
- Gradual realignment towards a consumer-directed care model, which would open up choice;
- The introduction of consumer-directed care packages more broadly across the industry;
- The introduction of care subsidies to residents living in serviced apartments;
- The relaxation of existing assisted living/seniors accommodation funding incentives to all aged care and retirement living approved providers; and
- The removal of restrictions and/or the introduction of tax incentives, land release schemes or grants/low interest loans to allow at least a modest return on investment is necessary to inject both capital and innovation into the industry and provide consumers with greater choice. Land release schemes in the model of the Aged Care Land Bank, piloted by the Victorian State Government, for example, could be extended to all providers across the sector and less restrictive in service type and federal/state/local land planning mechanisms adapted to incorporate a stronger preference for seniors accommodation. Financial incentives, akin

to the rebates offered through the National Rental Affordability Scheme and Zero Real Interest Loans, could also be on offer to all approved providers and take a wider geographic or demographic focus.

July 2010