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Caring for Older Australians
Productivity Commission
PO Box 1428
Canberra City ACT 2601

Dear Commission Officers

The draft report 'Caring for Older Australians' published in January this year has been an awakening for the next generation of ageing Australians. In the near future, people will be asked to contribute more to the expenses related to their ageing years than has been accepted in the past, in a culture where generational wealth is expected to remain untouched, especially in regard to home ownership in old age.

Whilst we were pleased that the Terms of Reference for investigation included looking at all currently available accommodation types for aged people, including retirement villages, we were concerned that in the final recommendations, it was determined that this style of accommodation not be included in the final policy framework that will inform the future of aged care in Australia.

This omission leaves out an emerging form of aged care supported accommodation that is presently regulated by Retirement Acts as they stand at state and territory level. These environments are ideal for people requiring low to moderate residential care. This submission would like to draw your attention to the emergence of supported living communities (SLCs), an accommodation option that is currently poorly understood.

The current lack of understanding about supported living centres has high prevalence in the health sectors, both government and NGO-based. This lack of understanding tends to be combined with a view that as the option is private enterprise based, it is not worthy of the consideration of clients when it comes to addressing the need to leave the family home for alternative aged residential accommodation. This attitude ignores the costs of going into government funded residential care and also ignores the reality that in the not too distant future, taxpayer funded aged care services will not be able to support the demand for services from an unprecedentedly high aged population.

We believe that supported living communities have the capacity to address many future anticipated aged accommodation issues including demand, supply, and duty and quality of care. In the case of Pinevale Villas for example, our operating practices and principles are governed by the Aged Care Act (1977) and our functional regulator is the Retirement Village Act (1999). There are conflicts between these regulators that restrict the input that supported living communities could contribute to expanding the capacity of the aged care service system.

Many of the barriers to people entering SLCs at the present time is centred around the fallacy that somehow the care services available cost more than in government-funded facilities. In one respect this is correct as most do not receive any government funding but the legislation that regulates these communities does not permit the operators to profit from the care services provided to residents. Most operators may have to charge more for service than government subsidized organizations but in no way do they cover the real costs incurred in providing good quality care. Residents of nursing homes pay a daily fee which usually comes from the individual's aged pension. Still there is the perception in the community that somehow nursing home care is 'free' for residents.
SLCs do not take money in this fashion but do charge a weekly rate that includes items such as council rates and maintenance, not health related charges. Residents of SLCs commonly take community-subsidised services in exactly the same manner as people who live in the family home.

The situation outlined above has added bias to a basic lack of understanding about how such communities work from the not for profit health provider communities and hostility to SLCs means that most of them are under utilized. They are rarely included in assessments of local demands for good quality aged care accommodation.

Most supported living centres or communities are regulated by relevant state or territory Retirement Village Acts. SLCs presently sit in a somewhat uneasy equivalence to low care nursing homes with the average national age of entry into such a facility being 83 years of age and the general reason for coming to a supported living environment being an inability to cope in the family home. The operational practices and living environments of SLCs are vastly different to that of nursing home and indeed are preferable to most older people able to live comfortably at low care level.

SLCs have great flexibility because each unit is independent within the village environment. Couples can remain together where otherwise circumstances may separate them if one person needs institutionalized care. People who are inappropriate for nursing home care but who can not remain independently in the community, e.g. anyone who is a Senior - 55+ - with either a disability or a mental

health condition can be accommodated in SLCs because of their broader agenda of social inclusion compared to more rigid institutionalized care establishments.

Given that people do not wish to give up their homes when they are no longer able to manage them, supported living communities are an affordable option for those able to participate in the housing market and offer those who buy in many financial advantages that are not necessarily open to them if they select nursing home care as the alternative accommodation choice.

We respectfully request a more in-depth investigation of supported living communities be included in the final report of the Commission's report into the issue of caring for older Australians in the future and have the following suggestions:

1. '**Opening up the supply of care and accommodation to enhance choice'** (page XXX of the draft report) points out the increasing demand for in-home based services and a decline in demand for residential low care with nursing home operators opting out of low care expansion in favour of extra service facilities which levies an accommodation bond on the resident. We believe the considerations in this section could be expanded:
    a. There are existing but largely unrecognized accommodation resources ready to provide more flexibility in the aged accommodation system, namely, supported living centres. We ask that supported living centres be included as available providers of low care accommodation. Supported living communities are nearly all modern structures that provide independent living in individual, good quality units in grounds that are generally dementia friendly (at low-moderate range) and physically highly accessible. The units are built for maximum accessibility and have many safety and security inclusions. Many employ nursing and aged care trained staff and in the case of Pinevale we also follow food preparation guidelines relevant to the needs of aged people.
    b. Many supported living communities such as Pinevale Villas are Approved Providers of Aged Care Services (through the Department of Health and Ageing) but are not accredited as nursing homes are. Moreover, the Retirement Village Act that regulates SLCs precludes them from becoming accredited entities. We request that the legislation that regulates supported living communities (Retirement Village Act/s at state/territory level) be amended to allow operators to apply for part accreditation of some of the units on their premises to be licensed at either high or low care nursing home status and be accredited under the current national standards. This would give true recognition to the reality that retirement villages as such are changing from the perception that they are only suitable for younger people in the senior age range.

2. **Addressing strengths and weaknesses in the current system.** On page XXIII of the draft report one of the major concerns about the current system is about delays in care assessments and the limits on the number of bed licences and care packages and people having to join waiting lists for assessment let alone be able to receive appropriate higher levels of care when it is needed. We suggest:
    a. That supported living communities be recognized as an integrated accommodation system that allows people to live independently in their unit until their needs change. When that happens they would then receive government funded low care residential support (or high care if appropriate) without having to move from their own unit. In this scenario, the village as a whole is accredited and meets the Standards even though many residents are not affected by such until their needs change. This situation would give people the care they need in their own unit without the problems that families face when an older relative goes into care.
    b. To support an ability to deliver this level of service, it is important to understand that SLCs like Pinevale already employ an RN Director of Care who in our case regularly identifies when resident's needs change and organises relevant assessments. In a reconfigured system, that person, who is an Approved Provider of Aged Care under DoHA requirements would have an expanded role for which competency is already in place and;
        i. RN identifies that a resident needs have changed and an assessment is necessary
        ii. Arranges assessment in consultation with resident, family, GP, ACAT
        iii. Interim care is able to be provided whilst assessment is being done if there are waiting lists such as exist in the Northern Rivers region
        iv. The person is assessed as needing residential care
        v. Funding is activated to maintain that person in their own unit OR if more appropriate to be transferred to another set of clustered units on the existing supported living community site. Either approach is possible depending on level of care required.

    We believe this is an integrated and genuine approach to the highly desirable objective of 'ageing in place'.
    c. **Rural issues:** We ask that it be recognised or further investigated that supported living communities located in rural/regional have the capacity to effectively contribute to the aged care infrastructure in such areas. In the case of Pinevale, we overcome access problems to rural health services by conducting an onsite GP clinic. This service meets the needs

of 40 older people and represents a considerable economy of scale as well as meaning that people actually receive the medical attention they need. For example in one township in which some of our residents previously lived, there is a six month waiting list to get on the local GP waiting list.

d. SLCs usually accommodate other on site health related services such as podiatry/hearing tests/flu shots etc which has the capacity to concentrate and create economies of scale for health professionals which will enhance the prospects for ongoing service provision in the area for everyone.
e. Supported living communities provide infrastructure in their locality that is frequently missing – namely good quality independent units that are small enough for people to manage without having to worry about heavy maintenance duties such as mowing, taking out garbage etc.
f. Supported living communities contribute to the employment pool of the region in which they operate and as centralized workplaces provide employment and professional development for their qualified aged care staff and other staff e.g. catering and maintenance.
g. Most supported living communities strive to be socially inclusive places and are recognized as such in the communities in which they are located and most provide ancillary services such as transport to provide as much freedom of choice to people as possible.
h. SLC's are 'one-stop shops' where people live and receive services and which have the capacity to be able to develop into centres of service delivery for a concentrated number of older people at the consumer's convenience and with economies of scale to the service providers – particularly relevant in rural centres.

Whilst units in an SLC are usually affordable for people who are able to participate in the housing market, in the case of Pinevale the purchase of a one bedroom unit is less than the average price of a unit in the Local Government Area of Lismore in New South Wales. This means that people can come here to live debt free, with their pension intact and usually with a surplus from the sale of their home for investment.

For people unable to participate in the housing market it is suggested that when the day comes when the aged care system is holistically integrated across all of its currently disparate dimensions that Affordable Housing Schemes operated by NGOs could purchase units in villages such as Pinevale on behalf of financially disadvantaged clients and so flex up the system even more for those who are unable, at an individual level, to purchase housing for their older years.

Supported living communities are here and they have the capacity to take some of the stress off the supply of appropriate housing for older people. Currently these centres are unable to operate at maximum capacity because people resist selling the

family home for as long as possible, however, a considerable number of people do end up having to do exactly that. It is also possible that SLCs would be able to provide high level care and as this would be provided to existing residents who have bought into the community, accommodation bonds would not be an issue for the resident and resident's family.

By funding SLCs for low/high care the government would reduce its capital outlay because currently, these facilities have already been constructed, are fresh, modern and usually well designed. Capital works to integrate nursing home facilities into an SLC would be modest compared to construction of a new nursing home and at Pinevale, we estimate, able to be achieved for less than $200,000 in building adaptation.

In conclusion, we suggest that as an alternative to nursing home care in either urban, regional or rural areas, the benefits of supported living centres have been overlooked. With the expected increase in the number of SLCs it is requested that the flexibility, choice and security they offer to older Australians be more effectively recognized in any reconfiguration of the aged care service system.

We urge your Commission's officers to visit some supported living communities to assess their capacity to become a valuable resource in taking the pressure off the effects of the forthcoming 'ageing bubble' in being able to provide a good quality of life in a good quality environment with good quality care.

Yours sincerely

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