



Aged & Community Services
Association of NSW & ACT
Incorporated

ACT AFFORDABLE HOUSING – AGED ACCOMMODATION SUBMISSION 7/11/2008

Aged & Community Services Association of NSW & ACT

Aged & Community Services Association of NSW & ACT Inc (ACS) is the leading peak organisation for not-for-profit aged care services, community care services and retirement villages in NSW & ACT. ACS represents over 300 organisations providing over 1,600 services to more than 100,000 people. ACS members range from very large multi site organisations to very small rural and remote stand alone facilities with 12 to 15 beds / units.

The proposals in this submission address the six areas of identified need which is intended to increase the supply of affordable housing for older Canberrans as described in the terms of reference; entering or planning to enter aged care facilities; renting properties in the private market; needing to relocate to more accessible or appropriate accommodation; wishing to 'age in place'; wishing to share accommodation or services; and seeking or planning to enter public or social housing. ACS supports the submission process as an important next step to the *Building for our Ageing Community* strategy.

1. Financial security for existing aged care facilities

We encourage the ACT Government to make a submission to the Senate Inquiry into residential and community aged care in Australia due 19 November 2008 to provide for financial viability outcomes for residential services. The submission is to address funding, planning, allocation, capital and equity of residential and community aged care in Australia. For details refer to: (http://www.aph.gov.au/senate/committee/fapa_ctte/aged_care/tor.htm).

Securing the existing supply of particularly residential care services is essential to enable us to then increase supply to meet the increasing demand. The recent Grant Thornton *Aged care 2008 survey* identified that high care average return on investment was approximately 1.1% for a modern, single bedroom facility and the increasing costs of construction and low returns were key impediments to redevelopment of aged care facilities. Overall, average earnings for aged care providers have dropped by ten per cent, from \$3,211 per bed per annum in 2007 to \$2,934 in 2008.

The *Survey* also found that “almost half of the facilities in the survey were over 20 years old and the current system does little to incentivise (sic) operators to refurbish or rebuild to meet current consumer preferences. [The] survey indicates that most providers with new single-room facilities can barely afford to keep their existing facilities running, let alone provide for their redevelopment when they become outdated”. There is a risk of major operator failures.

2. Access to land

We support and encourage the ACT Government initiatives to affect the release of land for aged care facilities and other affordable housing projects for older Canberrans along with enhanced application processes.

Certainty of equitable access to land supports planners in their long term arrangements for business growth.

3. Recruitment and retention of staff

We recommend that when the ACT Government undertakes workforce planning for the Territory, it places emphasis on the workforce needs of the aged care industry. This would include the need for better funding to allow for competitive wages and ongoing training. This includes participating in Commonwealth funding initiatives such as “Better skills for better care” which is currently being offered.

According to a recent report *Trends and Future Estimates in the Provision of Aged Care Services in the ACT*, (June 2008, available on the ACS website), based on ABS estimated future populations, the Department of Health and Ageing planning ratios and the ratio of direct care staff per operational place for residential and community aged care, in the next 15 to 20 years staff numbers will need to double. Although this is an ancillary issue to the provision of affordable housing, it has no less effect as ultimately, without staffing, aged care services cease to function.

4. Rental schemes – National Rental Affordability Scheme

We support the ACT Government conspicuously participating in and promoting Commonwealth incentive initiatives intended to increase the supply of affordable housing. The National Rental Affordability Scheme (NRAS) is one such long term supply response to the housing affordability challenge whereby the Commonwealth commits incentive funding which is matched with State and Territory contributions and participation.

Canberra is experiencing a tight rental market. One contributing factor in the provision of rental accommodation for the aged is the change in funding arrangements for residential aged care. As residential care moves away from the provision of services at the low end, there is increasing demand for affordable rental housing with community care packages and other support services brought in. An increase in community care packages delivered into homes will go some way to reducing demand for alternative aged accommodation; however this model does not serve the social needs that low care residential previously offered.

5. Coordinated plans for the redevelopment of Independent Living Units (ILUs)*

We urge the Government to ensure that capital is made available for urgent upgrades to ILUs and arrange assistance for ILU providers to develop strategic plans and alliances which will lead to improved management, governance and links with community care providers.

ILUs make a significant contribution to affordable housing stock in Australia for older persons and are at risk of failure without injection of redevelopment funds.

Research completed by AHURI in 2004 sought to “ascertain the significance and status of ILUs as an affordable and appropriate housing option for older people, particularly those who have low value assets and low incomes”. Although there are no separate figures published for the ACT, in its *Independent Living Units: The Forgotten Social Housing Sector*, the study estimates 13,600 ILUs in

New South Wales/ACT representing 16 ILUs per 1,000 older persons (aged 65 or more). This ILU housing stock is now between 40 and 50 years old and much of it is in urgent need of refurbishment and renewal. The stock also often no longer meets older people's needs and expectations.

* ILUs refer to those units which are provided by not-for-profit organisations and which are targeted at older persons with relatively low incomes and low value assets. They were developed between 1954 and 1986 by eligible organisations such as churches, charitable bodies and institutions and received subsidies from the Australian government under the APHA program to construct independent housing for older persons.

6. Sustainability

We support the ACT Government further developing sustainability incentive programs. Environmental sustainability around the use of water, energy and waste will increasingly become a source of financial saving for all industries in Australia and no less for aged accommodation. Initiatives that address sustainability will support financial viability of existing and new stock.

7. Housing information advice and assistance

We recommend that the ACT Government develop and promote detailed housing options information advice and assistance program for older people, families, advisers and organisations. This would include databases of housing and services and their availability. Promotions could include demonstration villages for prospective residents.

8. Support private and public planners with information

We recommend that the ACT Government develop and make available centralised databases of affordable housing for older people and services in the ACT in order to support future business growth. Reducing costs in this way should flow through to reduce prices for affordable housing.

9. Universal Design principles to support people to “age in place” in their own homes

We urge the Government to mandate Universal Design principles of accessibility and adaptability according to the Australian Standard 4299.

Universal design attempts to “simplify life for everyone by making more housing usable by more people at little or no extra cost.” It incorporates products and building features that - to the greatest extent possible - can be used by everyone. The features of universal design are:

- Equitable Use; the design must be useful and marketable to people with diverse abilities.
- Flexible in Use; it must accommodate a wide range of individual preferences and abilities.
- Simple and intuitive use; it must be easy to understand, regardless of the user's experience, knowledge, language skills or current concentration level.
- Perceptible Information; it must communicate the necessary information effectively to the user, regardless of ambient conditions or the user's sensory abilities.
- Tolerance for error; the design must minimise hazards and the adverse consequences of accidental or unintentional actions.
- Low Physical Effort; the design must be used efficiently and comfortably with a minimum of fatigue.

- Size and Space for approach and use; appropriate size and space must be provided for approach, reach, manipulation and use, regardless of user's body size, posture or mobility.

Currently there is no legal requirement for residential housing to be accessible in Australia. Furthermore no State or Territory enforces the AS 4299 standard.

10. Affordable housing innovations - Homeshare

We support and encourage housing innovations, particularly the Homeshare program the ACT Government currently encourages. The program is described as “support the introduction, through a non-government provider, a homeshare program to both provide accommodation for low-income singles or student and support older people to remain in their homes.”

Research shows that preferences of the baby boomer demographic will drive improved choice, quality and innovation in the provision of affordable housing. In response the Government needs to support and promote innovative housing and group home options. Many configurations are currently being explored both in Australia and overseas. For an evaluation of housing options and particularly those that are “integrated with support and care” such as Abbeyfield housing and Apartments for Life refer to *Integrated housing, support and care for people in later life*, Jones, A., Tilse, C., Bartlett, H. and Stimson R. (2008), AHURI.

The Benevolent Society in NSW conducted a Homeshare program until funding ran out. Homeshare is a service that brings together older people who need some help around the home and some company, with younger people who need somewhere affordable to live. After comprehensive interviews, assessments and checks are completed and a match is made, both parties sign the agreement and the younger person moves in with the older person on the agreed date. Homeshare coordinators are available to help resolve any issues that arise.

Some of the benefits expressed by the participants were:

- Giving an older person companionship and a feeling of security, especially at night
- Reducing accommodation and rent stress among the younger participants
- Enabling the older householder to get things done around the house that they can no longer do.