

PROPRIETARY INDUSTRY INFORMATION
THE STATE OF AGED CARE AND RETIREMENT LIVING IN THE ACT
(One Fell Swoop, 2023)

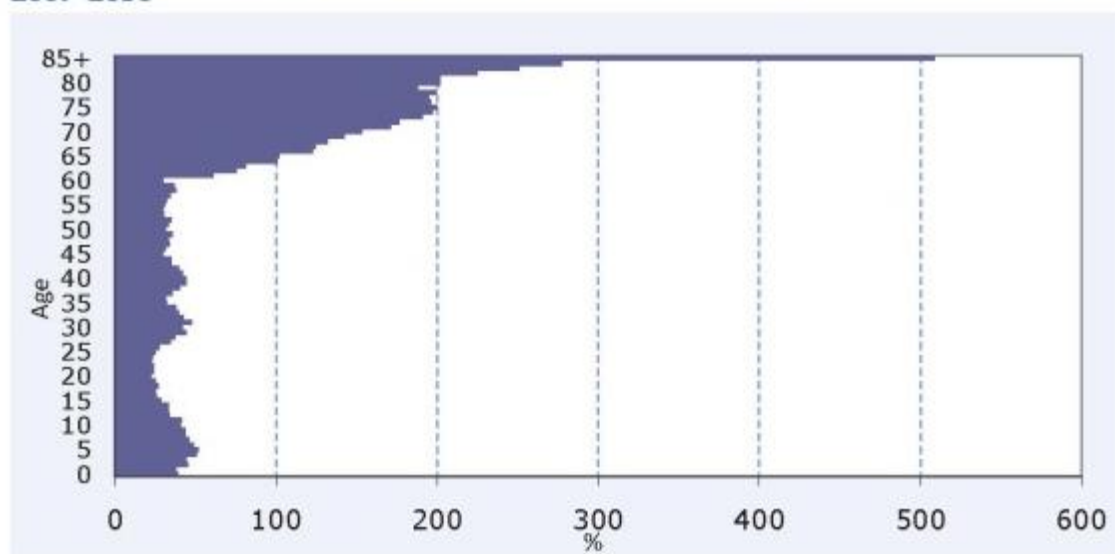
The following documents discusses the needs for aged care housing and retirement living housing in the ACT and the emerging trends.

Ageing In Community

Canberra's population is projected to grow to 526,000 over the next 40 years with an unprecedented proportion of this increase to occur in older age groups with the over 65's population to increase by 260 per cent and the 85+ years a staggering 500%. As such, a key challenge for the ACT will to be deliver suitable housing and support for these older Canberran's. This presents an opportunity for the establishment of more retirement villages and residential aged care facilities noting the current pipeline of new projects will simply will not meet current and future demand on current projections.

Indeed it is projected that there will be an overall increase of 10% in the number of 65+ years as a percentage of the population rising from 10 – 20% of the population. This is clearly demonstrated in the following Graph.

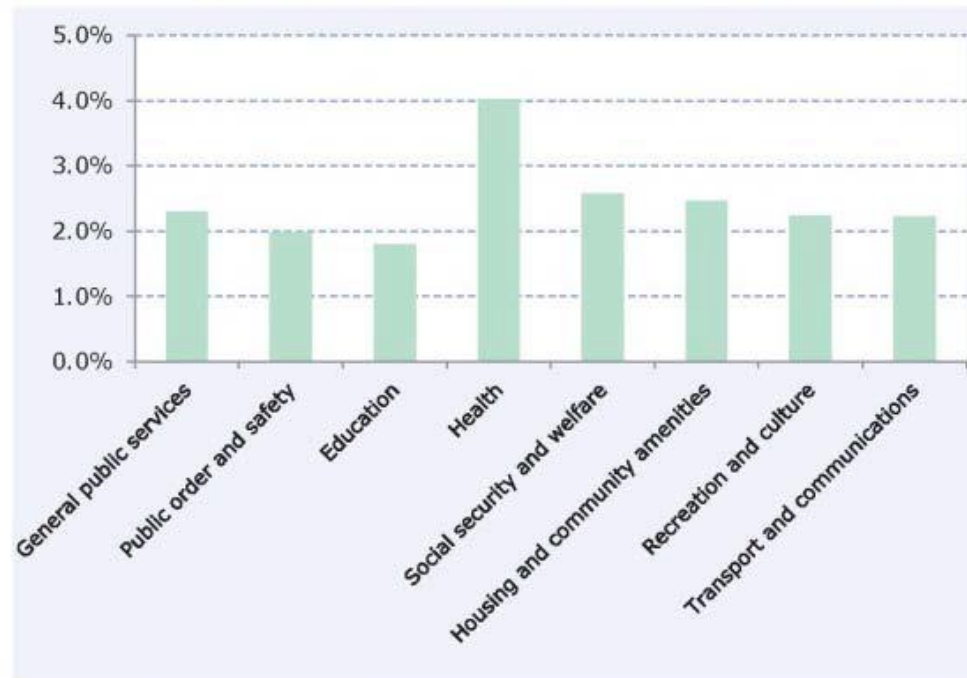
Figure 2.4 Percentage Increase in the Projected Population of the ACT by Age, 2007-2056



Source: ACT Government (2009a).

The impact of this change in population demographics is further highlighted in the projected annual growth in *Real ACT Government Spending* from 2009-10 to 2049-50 where the Health budget significantly outstrips all other budgetary expenditure which may present future challenges for the community unless providers can assist relieve the burden and reduce the number of so called “bed blockers” caught up in the hospital system.

Figure 4.2 Projected Average Annual Growth in Real ACT Government Spending, 2009-10 to 2049-50



Source: ACT Government projections.

Benefits Of Retirement Living

There are a number of benefits associated with choosing to live in retirement living communities. These include increased social inclusion, security and all abilities access for residents as well as increased efficiency in the provision of support and medical services. McCrindle Baynes Village has executed a number of major independent village community research programs across 15,000 residents from 400 villages across Australia, identified that residents in retirement villages are generally content and living longer healthier lives. Some of the other key findings included:

- 98% of people who had moved into a village in the last 23 months stated they would make the same decision to move into a village if they were given the decision over again
- 32% of recent residents indicated that their physical health had slightly to significantly improved after moving from the family home to the village
- 46% stated their mental well-being had slightly to significantly improved after moving from the family home to the village
- 68% stated their confidence and security increased slightly to significantly after moving from the family home to the village.

The census also found that, while village residents are on average older than they were ten years ago, they are living longer and enjoying more active lives. The top three motivators for residents' choosing to leave their previous home included the opportunity to downsize while they could (84%), their home was becoming simply too big to manage (62%), and concern about their future health (60%). The three most common reasons for residents choosing their particular village were because they could stay independent (87%), it had a safe environment and emergency support (87%), and the village facilities on offer (87%).

Nationally, given there are 177,000 residents living in retirement living communities – a penetration rate of around 5 per cent. In Canberra, the ACT Government's population predictions indicate a clear

level of unmet and impending demand for retirement living options. The current provision of retirement living units is approximately 400 below demand and will increase considerably over the next 30 – 40 years as per the table 1 below.

Year	Total ACT Population	Persons 65 and over	Percentage 65 and over	Current 5 per cent (penetration rate)	Actual No of retirement units	Additional retirement units required
2012	375,000	41,433	11.05%	2,072	1,667	405
2020	409,000	57,532	14.07%	2,877	2,176	701
2030	453,000	75,810	16.74%	3,791	2,176	1,615
2040	490,000	90,335	18.44%	4,517	2,176	2,341
2050	526,000	106,911	20.33%	5,246	2,176	3,170

Table 1: Demand for retirement living units

Emerging Trends

There are a number of emerging trends in the provision of aged care including:

- Increased competition with recent deregulation and readily available information for prospective residents highlights the need to have a point of difference with both the facilities offered and the services provided
- Residents and their families becoming more demanding and discerning
- Increased emphasis on the commercial viability of RACF facilities against changing operational and regulatory requirements
- Emerging technologies which better support staff mobility and resident interaction allowing more timely and accurate information on patients/ residents
- Retention of key staff is increasingly important with increasing competition as the number of such facilities increase, a decreasing availability of skills and associated increases in wages and costs
- An increased requirement for dementia, palliative and bariatric care and an implied need for flexibility to change facilities to accommodate specific needs
- An increased commitment to environmentally sustainable design (ESD) / energy efficiency as energy and other utility and fixed costs increase such that long-term asset holders, such as VSA can derive a genuine benefit while being good corporate citizens
- Providers are increasingly conscious of achieving a safe workplace for staff which is still space efficient

Labour costs represent the largest fixed cost for providers and this will likely rise as labour shortages limit ability to recruit key people.

Average age of people entering aged care is increasing with more now entering bedridden and very frail – this will ultimately change the requirement for external outings, physically active space requirements as well as room design (re lifters etc)

Providers are looking for relationship-based partnerships for projects to reach their goals in a competitive market

On site community services increasingly valuable – Respite, Child Care, Health and Well Bein