



## **Senator the Hon Santo Santoro Minister for Ageing**

### **Speech**

#### **RETIREMENT VILLAGES ASSOCIATION CONFERENCE 'ADVANT-AGE 06' Gold Coast 22 November 2006**

It's a great pleasure to be here to officially welcome you to this conference, on the beautiful Gold Coast. A great place for any sort of conference, for a holiday or even to retire. No doubt many of you, like me, have noticed the rather large number of young people out and about on the Gold Coast at the moment. Looking at these young people, I am reminded of George Bernard Shaw's famous words, that youth is wasted on the young. But look on the bright side: one day these young people are going to be not so young, and when they are looking for new lifestyle choices that involve getting together with their friends for a bit of fun, where will they turn? To the retirement village industry, of course!

The title of this conference is, of course, "Advant-Age 06". I don't know which among you came up with the pun but I think it's rather good. It suggests that age and ageing bring challenges, but also benefits, which is certainly true.

On an individual level, "age" also brings maturity and wisdom. At least that's what I am hoping as I celebrated my 50<sup>th</sup> birthday this year. At a national level, the ageing of the population presents opportunities to businesses and organisations which are prepared to meet the demands of the financially strong baby boom generation.

I am advised that there is recent research showing that the great majority of Retirement Village residents seem to enjoy village life. A report issued last year by Dr David Kennedy of the University of NSW entitled "Retirement Village Satisfaction in RVA Member Villages in NSW" found that "93.6 per cent of respondents felt that their overall expectations for retirement living had been met or exceeded... Only 6.4 per cent felt that their expectations for RV living had not been met. This is remarkably consistent with the findings of Stimson, McCrea and Star [University of Qld 2002] who found that approximately 92 per cent of respondents said their expectations for RV living had been met or exceeded..."

Those are approval ratings that any politicians would die for, so I am looking forward to picking up some tips on customer satisfaction from you.

Certainly your industry has an ADVANTAGE. You are well established, well organised through this association, and well placed to ride the wave of demographic change. But any surfer can tell you – and there should be plenty of them down at the beach – that riding a wave isn't as easy as it looks. You have to be in the right place, at the right time – which can

involve a lot of very fast paddling. Most importantly, you have to understand the dynamics of the wave and adjust your position constantly, as it moves, to maintain your place at the crest. Otherwise you get left behind - or you get dumped. I'm sure you don't want either of those things to happen to you!

So change is as important in your industry as it is in any other. Your residents - your clients - require security, and stability, but they also have changing needs. The Australian Government is committed to working with your industry and to assist you, where possible, in meeting the changing needs of older Australians. However, as you know, the retirement village industry is not regulated by the Commonwealth, but by the states. I do understand the frustrations that some of you might be feeling at the approach to regulation, or should I say over-regulation, that some of you may be experiencing at state level.

For example, I understand that in Queensland, amendments to the Retirement Village Act 1999 were enacted in March this year, and the industry was very disturbed that (contrary to previous practice) the government retrospectively varied the contract that had been entered into between residents and the village.

I am advised that the justification for this drastic action was that it was necessary because of the "number of complaints and level of concerns" about operations of retirement villages.

However, just recently, when the Office of Fair Trading (which supervises the operations of RVs) presented its first "Stakeholder Report", it was revealed that they receive on average only 30 complaints a year about retirement villages which have, collectively, about 45,000 residents. Interesting.

Nevertheless, far be it for me to encroach on states' rights. These are issues you need to pursue with the relevant state authorities.

In terms of interaction with the Commonwealth Government, while retirement villages have not traditionally been part of the government funded aged care sector, they fulfil a very important role in providing suitable housing for our older people. This role will become increasingly important over the coming years and decades, and that the government's plans and preparations for the ageing population have to include you. But more of that later.

Your clients are of course older people – old-ER but not necessarily "old", because being old is a relative concept. As Australia's population ages and our lifespan increases, our notion of old age and of ageing itself are changing. Our concept of "retirement", for example, will change. It has already been through one evolution – towards early retirement – now if I can use another surfing allusion, we have to turn the tide the other way.

Until the 1980s, men, who formed the majority of the workforce generally, worked fulltime until their 65<sup>th</sup> birthday, then took the gold watch and retired.

Over the last 25 years, this changed as more and more men – and women – retired before they reached the 65 year cutoff point. These people also had an increasing amount of living to look forward to – and hence, developed a growing demand for housing that suited this retirement lifestyle.

As the babyboomer generation continues to age, we as a nation need to redefine “retirement” and “retirement age”. Our focus must be on keeping mature age people actively participating in the workforce, and the government has put in place legislation to encourage that shift, over time.

Retirement is not just about age: it is about income, health, and working opportunities, and of course, about desired lifestyle. We will need more of our over 55-year-olds and more of our over 60- and over 65-year-olds to stay in the paid workforce –because the proportion of the population of what we now consider “working age” will be shrinking.

These trends will obviously have important implications for many aspects of society and the economy – and for your own industry.

As you know, the built environment, including housing, has an impact on our health and lifestyles in many ways, and this is especially true for older people who are less agile and may be less mobile than younger people.

Integrated planning of accommodation and facilities suitable for older people, is a hallmark of retirement villages which the government hopes will be adopted by wider communities. Security, safety, companionship, convenience and the opportunity to be socially and physically active are all provided in these integrated settings. Features like level footpaths, cycling tracks, swimming pools, safe public places, meeting places, secure housing, and provision of pooled transport make retirement villages very attractive. But these types of features are needed in the broader community to accommodate our ageing population and to encourage healthy, active ageing wherever possible.

This does not mean that your industry will lose its edge. It does mean that to keep on the crest of that wave, you cannot stand simply still and hope for the best.

I know that in fact your industry is continuing to evolve to keep pace with the needs and demands of older Australians, and I applaud the forward thinking that is demonstrated by the industry through the association and through this conference.

Part of that evolution is the increasing linkage between retirement villages and aged care, and this is a trend which I would like to encourage.

I know that many of you would resist the notion that they are tied in with “aged care” – many market their villages as “resort destinations” offering a “lifestyle choice”. But there should not be an artificial divide between the older people who are fortunate enough and forward thinking enough to invest in a retirement village home, and the rest of the older community. Buying into a retirement village will hopefully encourage a healthy active lifestyle – but it does not guarantee perfect health.

The Australian Government has made very large reforms to aged care in recent years, with more reforms arising from the excellent report by Professor Warren Hogan, to be announced shortly. Providing consumers with greater CHOICE is one of the essential themes underlying these reforms. The government also recognises that the retirement village sector can play an increasing role in provision of care services for seniors in retirement villages across Australia. This can take the form of direct provision of services, or encouraging and enabling outside

community providers to make services available within retirement villages. There have been issues to work through on this point and I will say more about that later.

By working with the government, you can address the needs of large numbers of people who would otherwise need to receive care and support in residential aged care facilities. I was, therefore, pleased to announce in May that frail older people living in retirement villages would be able to access government-funded community aged-care services.

This includes both Community Aged Care packages, Extended Aged Care at Home packages or EACH packages which provide services for people who are more frail and need more care, and EACH dementia packages specifically for those with dementia. The government provided \$24.2 million in funding to mainstream these services for people living in retirement villages.

It means that those people who need the services will be able to obtain personal care, domestic assistance and other similar services which are available to people in their region who live in other types of housing.

I believe this is a very positive move and I am sure you agree. There is no reason why people who have invested in a lovely home in a retirement village should be discriminated against in terms of access to aged-care services. They should not be forced to either go without care, or move into a residential facility, if they have an alternative.

As you know, this initiative followed a successful pilot program which trialled the delivery of community care to 321 people in retirement villages. An evaluation of all the pilot projects, conducted by the Australian Institute of Health and Welfare, indicated that access to care gave residents the confidence and the functional ability to remain living independently, rather than moving to residential aged care. The evaluation, which was made public in August, also concluded that special services were not needed as mainstream community care providers could deliver similar levels of assistance to retirement village residents.

Providing care in the community makes a lot of sense in terms of clients' contentment and also makes financial sense. The Howard Government has put expanding community care at the front of our aged care strategy. Ten years ago there were less than 5,000 community aged care packages, now there is almost eight times that number. In partnership with your sector, we aim and intend to expand that number greatly.

There are a number of options for retirement village proprietors. They may choose to provide the services themselves – or simply to allow external providers to deliver the services within their villages. Either option is acceptable to the government. However, all parties need to understand the requirements. Many retirement village operators will, I suspect, need to gain a better understanding of the processes and requirements to become approved providers of aged care under the Aged Care Act 1997.

For example, people must be assessed by aged care assessment teams as requiring either low care or high care services before being eligible for these packages. The Department of Health and Ageing is continuing to work with retirement village proprietors, aged care assessment teams and aged care providers to implement that decision and ensure that your clients continue to have improved access to community care.

Equally, community care providers and the aged care assessment teams themselves need to recognise the legitimate care needs of people living in retirement villages. This process will be supported by a communication strategy, education and training where relevant.

The government will also be undertaking an evaluation, with the benchmark that residents of retirement villages have the same access to community care as people in the general community with comparable needs. Facilitating support services for your residents, is in your interests and also fits in the government's vision for aged care which is based on quality and consumer choice.

But if greater linkages between retirement villages and the government-funded aged-care system are a logical progression, they will also involve some adjustments. I have talked about the importance of the built environment, including building design in maintaining the health and wellbeing of older people, and that applies equally to internal building design.

Over the course of this year, since I became Minister, I have visited a large number of aged-care facilities – and also some retirement villages - and I have noticed a welcome trend to implementing the principle of “ageing in place” as new facilities are developed and older ones are refurbished. It is not uncommon, now, to find the same providers operating an aged-care residence and independent living units within the same campus, so that people can move from a unit into residential care without a great deal of upheaval, if required.

I am aware of statistics showing that the great majority of RV residents leave only on death – that is, they are not subsequently admitted to residential aged care. The “co-located” facilities say that only a minority of admissions to their residential facilities are from their retirement village.

But looking forward, I would encourage all of you to think about “ageing in place” more literally. Developers, planners and architects working on resorts and accommodation for older people, should take into account the possibility that those people will need some care as they grow older, and that this care could potentially be provided to them within the same living space where they have previously lived independently.

Often efforts to be more “creative” in offering new styles of aged care/retirement village &/or other accommodation options are inhibited by restrictive planning regimes, which do not provide for mixed uses. So to those local government and state planners in the audience this morning, perhaps I could encourage you to adopt a more flexible approach that is going to meet the needs of our ageing communities.

For those of you who are not familiar with home-based care, Community Aged Care Packages typically involve about six hours of service per week, include personal care assistance, assistance with meals, domestic assistance, and transport to help the person shop or visit a medical practitioner.

Extended Aged Care at Home provides about 18 to 22 hours of assistance each week including clinical care, personal assistance, meal preparation, continence management, and therapy services. The support provided through EACH for dementia clients is even more intense.

The layout and design of living spaces – retirement units – will affect the ability to provide these services. I'm referring to factors such as bathrooms and shower recesses that are large enough to enable a carer to assist a person who needs help with showering or toileting. It means corridors and doorways which are generous enough to accommodate wheelchairs. The same for access from car parks. Bedrooms or living areas which can cater for a nursing bed on wheels – perhaps because the walls themselves are adjustable. Facilities such as electronic, remote monitoring – safety systems to detect falls or calls for help, and even to monitor medication.

I know that there is a great deal of creativity and innovation in your industry, and I have no doubt that you can think of many more ways to make it possible for retirement living to follow into supported living. Once again the government is keen to encourage this, following on from the successful National Speakers Series on the topic, "A Community for All Ages – Building the Future".

Last June, when I released the report of the speakers' series I also announced initial funding of \$250,000 enable the Government to work in partnership with industries and professional to implement the series' recommendations, including further research into the cost benefits of adaptable housing, education for consumers, and training and awards for industry.

The Master Builders Association was one of our partners in the speakers' series, as were the Royal Australian Institute of Architects, the Planning Institute of Australia, the Property Council of Australia, the Independent Living Centres, the Building Designers Association, and the Australian Local Government Association. The series did a great deal to create awareness of the strong impact that built environments can have on our mobility, independence, autonomy and way of life, as we get older.

I know that you, as retirement industry professionals, already understand that but, once again, it is about evolution and staying on the crest of that wave to maintain your "Advant-age". In that regard, I am now going to end a period of waiting for many of you by announcing that the government has decided to give you another real advantage in relation to services for your residents.

Prior to acceptance into accommodation which includes a care component, retirement villages generally require applicants attend their GP to undergo an assessment of their health and ongoing care-needs. This assessment is used to prepare a coordinated care plan for the resident by the retirement village. During this assessment, GPs provide certification of GST-free eligibility as part of the clinical service provided by the GP.

As a result, where the GP certifies GST-free eligibility as part of the broader care-needs assessment, Medicare benefits would be payable. However, this would not be the case if the sole purpose of the GP visit was the signing of certification of GST eligibility – the visit would not attract a Medicare benefit.

I have today received written confirmation from Minister Abbott that he supports in-principle the continued certification by GPs of GST-free eligibility for residents of serviced apartments in retirement villages provided that certification is included as part of an assessment of the patient's ongoing care needs. We are now giving our attention to the practical implications of this for implementation, and will likely be consulting further with relevant stakeholder groups. That is good news I'm sure you're all very pleased to hear.

Thank you again for the opportunity to speak with you this morning and I am indeed honoured to formally welcome you to the wonderful state of Queensland and your annual conference for 2006.