

ABSTRACT SUBMISSION

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**Growing Pains:
Implications of an Ageing Population on Planning Policy in New South Wales**

Australia like many other developing nations is experiencing a major demographic shift. Not only is the Australian population ageing, the relative percentages of age cohorts are changing. In particular, the proportion of people aged 65 years and over is increasing and is projected to account for a demographic shift, both numerically and structurally in Australia over the next few decades. As a consequence of the changing demographics, particularly the retirement of the Baby Boomer generation, there will be a greater demand for appropriate, adequate and affordable housing for Seniors, as well as for associated services and facilities within the broader community. Accordingly, this will impact on the way in which Governments, Planners and the Aged care industry respond to the increasing ageing Australian population in the coming decades, in particular, the provision of aged care accommodation. This thesis seeks to examine the various roles of Government in the provision of aged care accommodation, through the review of initiatives, strategies and policy at Federal, State and Local levels. In particular, the effectiveness of State Environmental Planning Policy (SEPP) Seniors Living (2004) is assessed in the provision of appropriate, adequate and affordable housing at a local level and whether development under this policy responds to community needs.

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GLOSSARY

Abbreviations

ACAT	Aged Care Assessment Team
AHURI	Australian Housing and Urban Research Institute
AIHW	Australian Institute of Health and Welfare
ALGA	Australian Local Government Association
CACP	Community Aged Care Package
DoFCS	Department of Family and Community Services
DOHA	Department of Health and Ageing
DOP	Department of Planning
DIPNR	Department of Infrastructure, Planning and Natural Resources
EACH	Extended Aged Care at Home Package
EPI	Environmental Planning Instrument
HACC	Home and Community Care
LEP	Local Environmental Plan
LGA	Local Government Area
LGSA	Local Government Shires Association
RACP	Residential Aged Care Package
SEPP	State Environmental Planning Policy

Terminology

Senior	Person aged over 55 years
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**FACULTY OF THE BUILT ENVIRONMENT
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**Growing Pains:
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1.0 INTRODUCTION

1.1 Background

Australia like many other developing nations is experiencing a major demographic shift. Not only is the Australian population ageing, the relative percentages of age cohorts are changing. In particular, the proportion of people aged 65 years and over is increasing and is projected to account for a demographic shift, both numerically and structurally in Australia over the next decade. This is the result of a number of factors, including decreased fertility and morbidity rates and increased life expectancy due to medical advances and a higher standard of living.

At a national level, the proportion of people over the age of 65 years (seniors) in 2004 was 13% of the Australian population. This proportion of seniors is projected to increase to between 26% and 28% in 2051 and between 27% and 31% by 2101 (ABS 2006, 4). A further 1.5% of the population is currently over 85 years old, which is also expected to grow to between 6% and 8% in 2051 and 7% to 10% by 2101 (ABS 2006, 4).

As a consequence of the changing demographics, there will be a greater demand for housing for seniors, as well as for associated services within the broader community. More so “as the community continues to age, the community faces the challenge of providing policy, programs and services to meet the changing values, behaviours and attitudes of an older population” (ABS 2006, 1-2). Accordingly, this will impact on the way in which governments, planners and the aged care industry prepare for the increasing ageing Australian population in the coming decades, in particular, the provision of *appropriate* and *affordable* aged care accommodation.

Over the past decade, various studies and reform of Commonwealth and State Government policies have occurred as a result of the acknowledgement of the projected ageing population. However, the extent to which these policies are providing *appropriate* and *affordable* forms of aged care accommodation needs to be examined further to ensure that adequate and realistic mechanisms are implemented.

1.2 Problem Statement and Objectives

This thesis topic was first developed as a result of professional work experience dealing with aged care projects in Sydney. As a result, I have developed a specific interest in planning for the ageing population and the implications and importance of providing appropriate forms of accommodation in communities for people aged 65 years and over. My interest lies in determining where the responsibility lies for ensuring that adequate housing is provided and what implications this has on planning policy, specifically New South Wales State Environmental Planning Policy (SEPP) Seniors Living (2004).

SEPP Seniors Living recognises the need to provide adequate housing stock by allowing local planning controls to be overridden by more generous development standards within the SEPP Seniors Living 2004 legislation. This permits development where in some cases local controls would normally prevent housing for seniors and provides guidance criteria and standards for development (DIPNR 2004). While this policy provides specific development standards to regulate aged care accommodation of varying levels (self contained, assisted care and residential care), the policy does not control the provision of which form of development from these three levels of aged care is provided within a community. This poses a problem in terms of providing adequate accommodation, in terms of affordable, appropriate and available housing, in order to meet the needs of all elderly residents in a community.

For the purpose of this thesis, a broad overview of the current policies and legislative frameworks will be presented for all levels of government. Specifically, it will address the effectiveness of the provision of accommodation for seniors under SEPP Seniors Living in New South Wales. This thesis will not discuss the provision of disabled housing, also contained in SEPP Seniors Living, as it is beyond the scope of this research.

This thesis examines whether State Environmental Planning Policy (SEPP) Seniors Living (2004) is an effective planning mechanism for the provision of appropriate aged care accommodation in communities. In addition to this, it suggests who is or should be ultimately responsible for aged care accommodation, whether it be at federal, state or local level.

Accordingly, this thesis will examine the following key issues:

1. Australia's ageing population and future projections. This includes a demographic overview of the Australian population statistics, with particular reference to the New South Wales ageing population. Key trends and issues associated with the ageing population, such as increased longevity, fertility and immigration will be discussed. In addition, an overview of The Baby Boomer generation will also be provided.
2. Existing aged care policy. This includes a review of the various federal government policies, strategies and ideology on aged care. In addition, at a state level, a review of previous State Environmental Planning Policy No.5 and problems associated with this policy in comparison with SEPP Seniors Living will be undertaken. This includes reviewing the effectiveness of existing aged care policy and SEPP Seniors Living in providing adequate aged care accommodation in communities in terms of affordability, appropriateness and availability.
3. Accountability and responsibility. Suggestions will be made as to who is ultimately responsible for ensuring there is adequate aged care accommodation in communities. This includes the provision of new development in communities and the role and influence of local, state and federal government in aged care.

1.3 Theoretical Context

The significance of an ageing population in Australia and the complexities of providing and planning for the future cannot fully be understood without consideration of a theoretical framework which comprises existing statistical data, planning and social theory.

Australian Bureau of Statistics (ABS) Census data and demographic studies provide insurmountable evidence that there is a shift occurring in the demographics of the Australian population. Australia's ageing population is an important issue which will affect all aspects of society. Housing to meet this increasing need is undoubtedly an important consideration which must be addressed through careful planning and policy implementation and will ensure that there will be appropriate and affordable forms of aged care accommodation, as well as associated community services to meet society's changing needs.

As mentioned, a large demographic shift is occurring in Australia and has been for the last few decades. However, “the pace of demographic ageing will increase at an unprecedented rate in the second and third decades of the 21st century” (Hugo 2003, 109). Census data from 2001 states that between 2011 and 2031, Baby Boomers will make a significant contribution to the numbers of people aged 65 years and over. During this period, the population aged 65 years and over is projected to grow from 3.2 million to 5.7 million people. Furthermore, “by 2031, all surviving Baby Boomers will be between 65-84 years of age and in the following 20 years, the population aged 85 years and over is projected to almost double, reaching 1.6 million in 2051” (ABS 2003,4). In addition, the most pronounced increase in the ageing population will occur in the over 75 years old population, which is predicted to increase rapidly from 5.6% to 13.2% in 2051 (Hugo 2003, 1).

As a result of this increasingly ageing population, housing needs will become an important issue. As people age, it is generally known that living arrangements also change and vary based on the level of assistance each individual requires. However, with these considerations in mind, the Baby Boomer generation is considered to be a very financially sound, physically and mentally active cohort. Essentially, their mindset is different from that of previous generations, which will prove to be a challenge in providing for their specific needs. Accordingly, there needs to be suitable amounts of appropriate and affordable aged care accommodation to meet the increased needs of this population in the upcoming decades, for which planning mechanisms will be required.

While there is a strong resistance by Baby Boomers to reside in assisted care facilities, research by the Australian Institute of Health and Welfare suggests that the probability of using an aged care home over a lifetime is high (AIHW 1999,4). Furthermore, 2001 Census data reveals that while most remain living independently, “the percentage of older people living in non-private dwellings increased with age from 2% for those aged 65-74 years to 28% for those aged 85 years and over” (ABS 2005, 8). Therefore, as the ageing population grows in size, it is likely that there will be an increasing demand for aged care accommodation providing different levels of care.

As a widely understood problem, the ageing population is something which will require planning in advance, with “appropriate policy adjustments required now to enable long lead times for these policies to be implemented and the ‘cost’ of such policies will be able to be spread over a much greater time period and over successive generations” (McIntosh, 2006,1).

As a response to this, the Australian government has committed to substantial funding and policy research exercises to grasp the extent to which the impact of the ageing population will have on the economy, as well as associated services such as housing, health and welfare. At a Commonwealth level, *The National Strategy for an Ageing Australia* and *the Intergenerational Report 2002-2003* have been prepared. The *National Strategy for an Ageing Australia* was released in 2001 and recognises Australia’s changing demographics as a “matter of national importance, economically and socially, presenting challenges, but also opportunities” (2001, vii). Essentially, the *National Strategy* recognises that “the responsibility for meeting the challenges of the population ageing lies not only with the Commonwealth Government but with other levels of government, with business, with communities and with individuals” (2001, 2). The *Intergenerational Report 2002-2003* was released in conjunction with the 2002-03 Budget examining the fiscal effects of the projected ageing population on the Australian economy. This report identified the emerging issues associated with an ageing population. Accordingly, the *Intergenerational Report* both highlights the economic impacts of an ageing population as well as making recommendations of how the increasingly ageing population may be supported economically through self-funded superannuation, promoting independence, productivity and social inclusion of seniors.

Underpinned by an ideology of an Australia being a ‘welfare state’, the Government generally provides a social democratic perspective, in which every citizen has a right to an equal, basic standard of living. Accordingly, government policy has been geared to reduce inequality and institutionalise welfare, providing free education, health care, pension and housing. This is reflected in the Commonwealth Government shift in the way in which policy and initiatives have addressed the ageing population changes in legislation in recent years.

In addition, the Commonwealth mindset has also shifted with initiatives emphasising healthy ageing and the introduction of 'ageing in place' to encourage people to remain in their homes for as long as possible, in an attempt to alleviate the already burdening pressure on the health and aged care system. Furthermore, evidence of an ageing population has been identified by the Commonwealth Government, which has commissioned various studies, on-going research and restructured the aged care industry with the introduction of the *Aged Care Act, 1997*. The introduction of the *Aged Care Act, 1997* saw the reform of the aged care industry with the merging of the nursing home and hostel sectors. In addition, this policy provides the framework for aged care at a national level, providing a framework for the funding, operation and monitoring of aged care services.

The Commonwealth Department of Health and Ageing (DOHA) manages aged care allocations and grants provided under by the Budget under the *Aged Care Act, 1997*. Based on budgetary funding and population ratios, the government allocates aged care places and funding to aged care providers across Australia. This, in effect, has a substantial influence on the provision of aged care facilities, which not only require capital grants or developer funds to provide facilities, but also on-going government assistance to provide the varying levels of aged care in communities.

In New South Wales at the implementation stage, development of new senior's accommodation lies solely on the SEPP Seniors Living 2004 policy. At a local level, SEPP Seniors enables development to occur by allowing local planning controls to be overridden, providing criteria and standards for development. The policy aims to increase the supply and diversity of accommodation to meet the needs of the ageing population. However, at present, no assessment has been made into the effectiveness of the policy in the provision of appropriate aged care housing and the types of development which it generates. This thesis goes some way to explore this policy by examining the existing aged care policy and strategy framework and identification of the roles of various levels of government.

1.4 Methodology

In the preparation of this thesis, a number of research methods and procedures have been undertaken. Firstly, a literature review and analysis of statistical information relating to existing data research was performed to analyse the existing and projected ageing population. Secondly, a detailed analysis of existing policy, strategy and ideology was examined at a federal, state and local level. This enabled a greater understanding of how well current policy relates to the ageing population, varying responsibilities across different tiers of government and to what extent these policies are providing affordable, appropriate and available aged care housing. Finally, field research was conducted, comprising of three (3) in-depth qualitative interviews with aged care department and industry representatives. However, while these interviews informed the research contained in this thesis, the interviewees did not wish to be identified or quoted.

1.5 Conclusion

The purpose of this chapter was to provide an introduction to the ageing population in Australia and provide a brief overview of the existing policy and strategy documents on the provision of aged care accommodation. It also provided a set of research objectives and identified the overall scope of this thesis. Finally, below it presents a brief discussion of what follows in the remaining chapters.

Chapter 2 provides an overview of the Australian population in terms of existing and projected demographics, as well as a very specific look at the ageing population in New South Wales. In addition, various trends associated with the onset of the ageing population are identified and discussed in detail. In particular, an overview of the Baby Boomer generation is provided to establish the differing needs of this generation at the onset of their retirement. Finally, the ideology of caring for the aged is examined to give a complete background to ageing in Australia.

Chapter 3 will provide a detailed overview of aged care at a Commonwealth Government level. The primary aim of this chapter is to examine the role of government in the provision of aged care housing. A review in terms of existing ideology, strategies and policy frameworks will be conducted to identify the various responsibilities of Federal Government in terms of the provision of aged care housing. This chapter will include a national level overview of aged care, including a discussion of Government initiatives such as retirement, the Age Pension, superannuation, housing and healthy ageing programs. In addition, two key documents; the *National Strategy for an Ageing Australia* and the *Intergenerational Report* will be documented in regards to their impact on aged care in Australia. Finally, a review of the *Aged Care Act, 1997* is undertaken.

Chapter 4 provides an overview of State policy over the last two decades in the provision of aged care. In particular, this chapter will examine State Environmental Planning Policy (SEPP) Seniors Living 2004 relating to the provision of aged care accommodation in New South Wales. SEPP Seniors Living 2004 will also be analysed for its effectiveness in the provision of appropriate, affordable and available accommodation for seniors in New South Wales.

Chapter 5 will explore accountability and responsibility in the provision of aged accommodation in New South Wales. A brief examination of the provision of new housing at a local level will be provided, as well as future directions in aged accommodation planning. In addition, suggestions will be made as to who is ultimately responsible for ensuring there is adequate aged care accommodation in communities. A number of recommendations will also be made in light of Federal, State and Local based planning approaches.

Chapter 6 provides a review of the issues and potential problems in the provision of aged care in a planning context. In particular, this chapter will revisit the research statement and discuss the findings of this thesis. In addition, a number of recommendations and planning solutions are made in light of aged care and the current policy at implementation levels, identifying who is accountable. Finally, this chapter concludes with ideas for further research required in this area.

2.1 INTRODUCTION

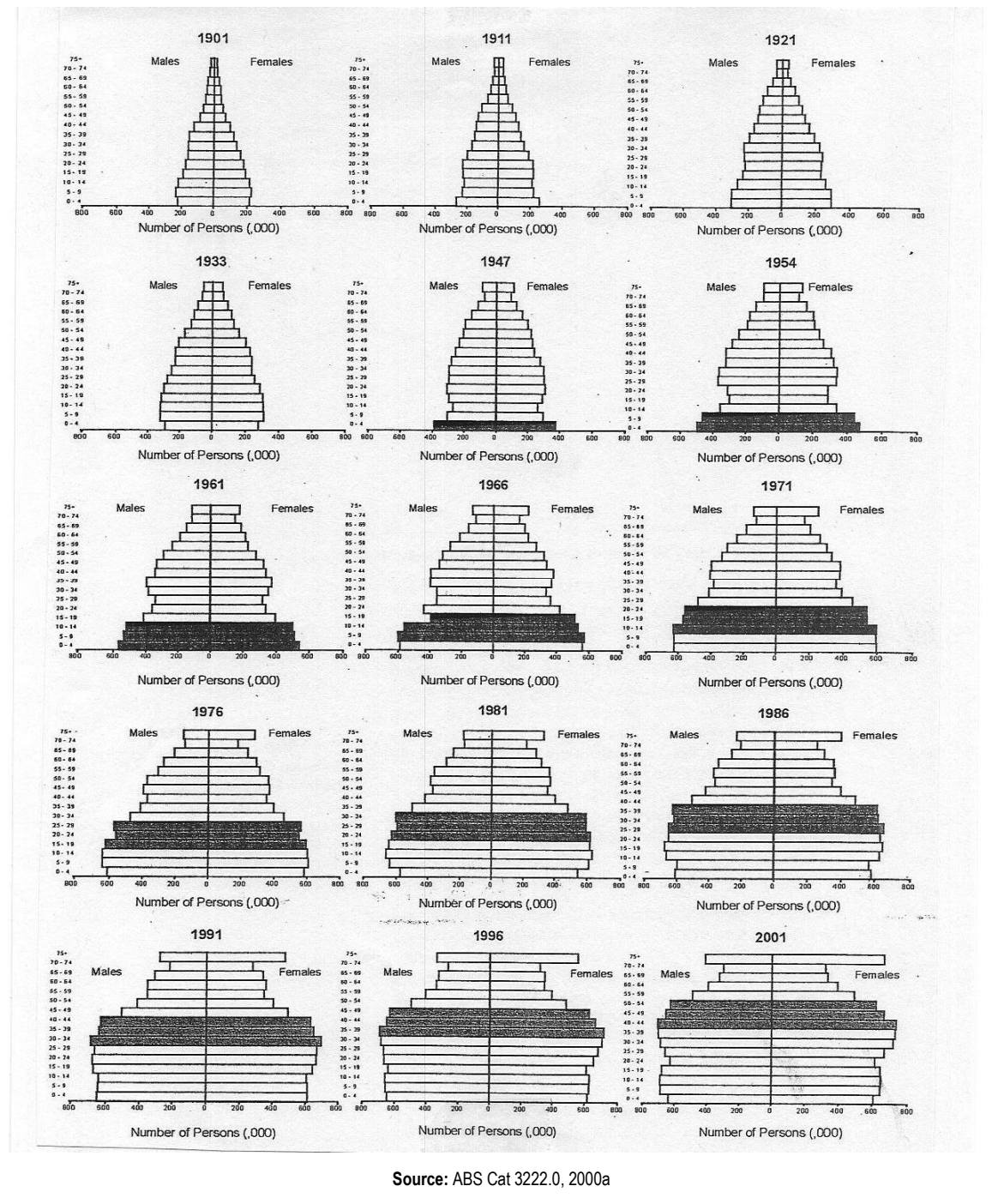
This chapter provides an overview of the Australian population in terms of existing and projected demographics, as well as a more specific look at the ageing population in New South Wales. In addition, various trends associated with the onset of the ageing population are identified and discussed in detail. In particular, an overview of the Baby Boomer generation is provided to establish the differing needs of this generation at the onset of their retirement. Finally, the ideology of caring for the aged is examined to give a complete background to ageing in Australia.

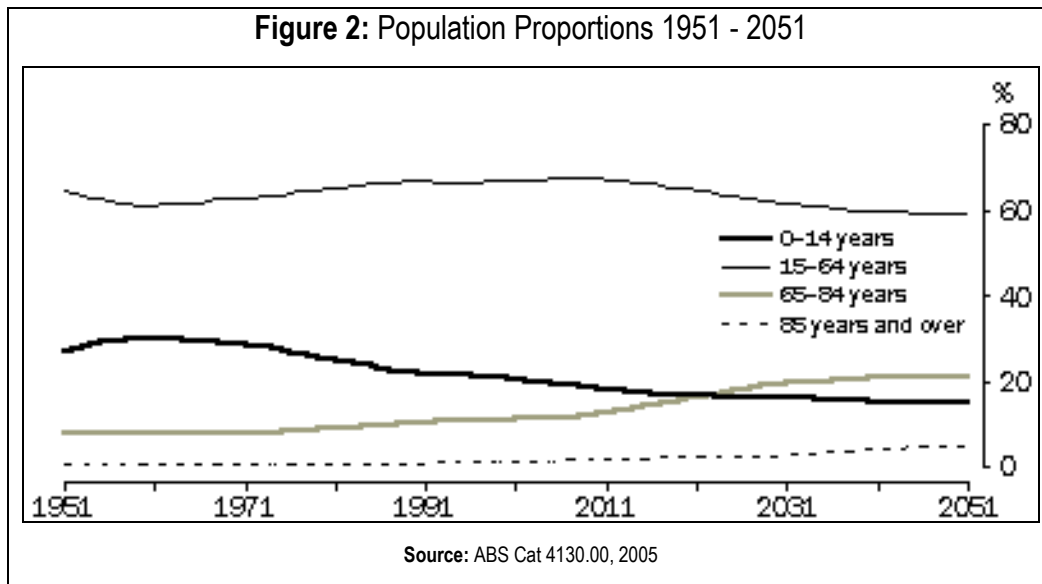
2.2 AGEING IN AUSTRALIA

The changing nature of an ageing Australian population is a highly publicised and debated topic, which is also occurring at an international level. Like many other developed countries, Australia is experiencing a shift in the relative age cohorts, towards an ageing population. With an overall population of 20 million people, Australia is undergoing a demographic structural change. This is shown in Figure 1, which shows the age and sex structure of the population from 1901-2001.

As indicated in Figure 1, the Australian population has not only grown numerically, but structurally showing the progression of different generations through the population. ABS Census data (2005, 4) indicates that between 1985 and 2005 the number of children aged 0-14 years old decreased from 23.6% to 19.6%; the number of working aged people (15-64 years old) increased from 66.1% to 66.7%; and, the number of older people aged 65 years and over increased from 10.3% to 13.1%.

Figure 1: Australian Age and Sex Population Structure – 1901 to 2001





As indicated in Figure 2, by far the proportion of people aged 65 years and over has increased significantly and will continue to do so in comparison to the rest of the population. In addition, 1.5% of this proportion was represented by people aged 85 years and over. Numerically, these cohorts will continue to expand in the next few decades. ABS projections indicate that people aged 65 years and over will increase to between 26% to 28% by 2051, and people aged 85 years and over will increase between 6% to 8% by 2051 in the overall Australian population (ABS 2006, 4).

The onset of an ageing population is the result of a number of factors: increased longevity associated with improved living conditions and medical advances has seen the median age increasing, with mortality rates steadily decreasing. In addition, sustained low fertility, which has been decreasing due to factors such as the introduction of contraception and an increase in the number of women in the workplace who are financially independent. A combination of these factors plus other big demographic trends have initiated this structural change in the population and as a consequence, resulted in a progressively ageing population in Australia. Each of these factors will be further discussed in this chapter.

2.3 AGEING IN NEW SOUTH WALES

Like Australia, the New South Wales population is also ageing and is expected to continue to do so into the next few decades. In 2003, New South Wales contained 889,500 people aged 65 years and over, which is equivalent to 13% of the population (ABS 2004, 1). Of this proportion of the population, a notable difference in the gender split is evident: 495,100 women versus 394,400 men (ABS 2004, 1). This is due to a longer life expectancy for women which generally increases further with age. Evidentially, ABS data projections indicate that there is likely to be a projected increase in the proportion of people aged 65 years and over, comprising over 20% of the New South Wales population by 2023 (ABS 2004, 2). In addition in 2003, there were 101,400 people aged 85 years and over, representing 1.5% of the New South Wales population. Once again the disparity between men and women becomes more apparent with 69% of the New South Wales population over 85 years being women (ABS 2004, 2). Furthermore, the proportion of people over 85 years will also increase.

Of particular interest is that the proportion of the aged population is expected to outnumber the younger population (0-14 year olds) for the first time in history (ABS 2004, 1). This becomes an issue because as the population ages, the number of people retiring will outnumber those working, which has huge workplace and social security implications. This will be further discussed later in this chapter.

2.4 THE BIG TRENDS

As indicated, Australia is ageing as a nation. However, the degree to which the population ages is dependant on a number of factors. Demographic shifts towards an ageing population are typically the result of a “persistent decline in fertility rates, accompanied by rising life expectancy” (ABS 2006, 3). Furthermore, the rate of immigration also plays a role in the ageing population.

Median Age

Median age is the average age of the population based on the age at which half the population is older, and the other half younger. For two decades following the Baby Boom, the median age was 27.5 years (in 1971), which was the result of the Baby Boomer cohort. The median age of Australians has increased over the past two decades by 5.9 years, from 30.5 years in 1984 to 36.4 years in 2004 (ABS 2006,1).

Fertility

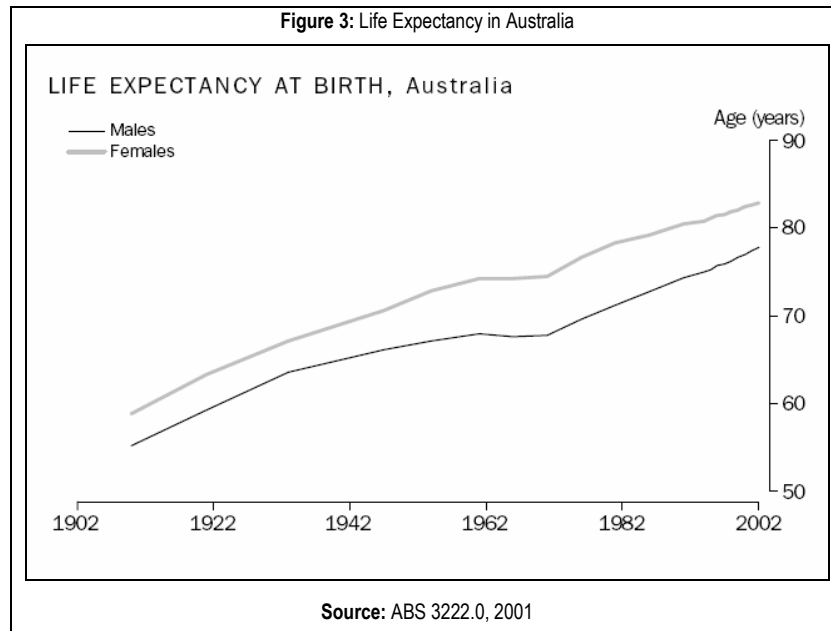
Fertility rates have decreased significantly over the last few decades. This is the result of various changes, such as the decline of the Baby Boom. In 1961, the fertility rate was at 3.6 babies per woman (ABS 1999, 4), which was at its peak. However, this began to decline falling to 1.9 babies in 1983 and 1.8 babies in 2003 (ABS 2006, 1). The fertility rate has been below replacement level (2.1 babies per woman) since 1976 (ABS 2006, 1).

This change is considered to be the result of changing attitudes such as “the introduction of oral contraceptives, changing perceptions of desired family size, and growing acceptance of women’s participation in paid employment” (ABS 1999, 4). As a result, fertility rates have remained low since the post-war Baby Boom. Declining fertility is a primary driver in population growth. Essentially, a decreasing fertility rate means “not only few people in the present and short term, but also fewer young people in the future” (ABS 2006, 6).

Life Expectancy/Longevity

Life expectancy has increased over a period of time, with increased medical advances and improved standards of living. Furthermore, these trends have been driven by lower mortality rates at all ages. Male life expectancy at birth has increased from 55.2 years in the period 1901–1910 to 77.8 years in 2001–2003. Over the same period female life expectancy increased from 58.8 years to 82.8 years (ABS 2005, 18). Evidentially, women have a greater life expectancy than men, which becomes more apparent with older age.

It is assumed that life expectancy at birth will reach 92.7 years for males and 95.1 years for females by 2050–51 and remain constant thereafter (see Figure 3). Implications of increased life expectancy generally “result in higher numbers and proportion of people in older age groups and also contributed to increases in overall costs of health and aged care” (ABS 2006, 8).



Immigration

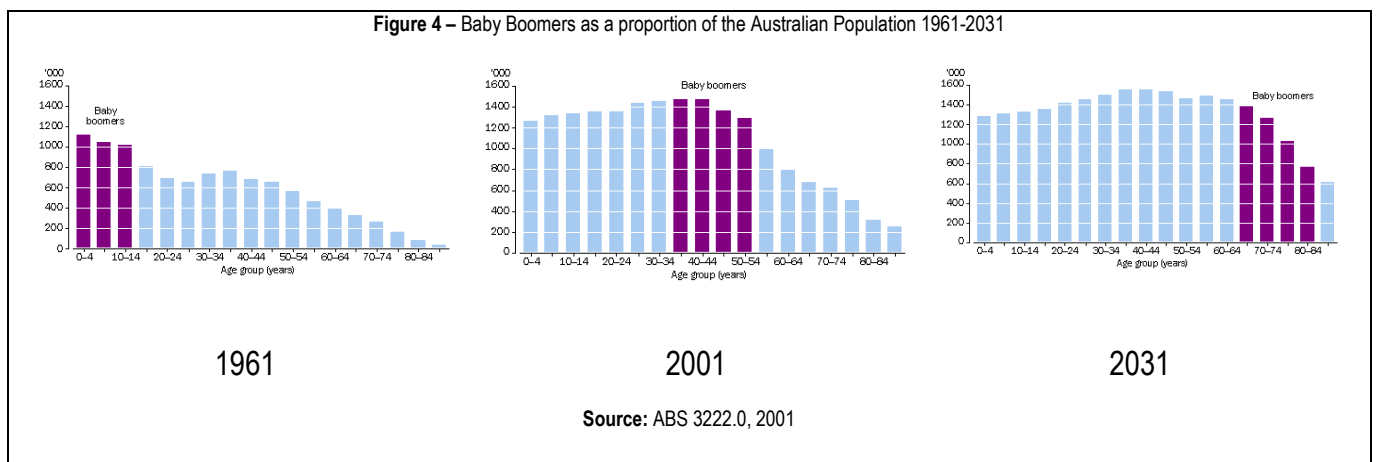
Since post World War Two, immigration has been an important part of developing Australia as the nation it is today; socially, economically and in terms of population. It is acknowledged that newly arriving migrants are generally younger than the median age, this generally makes the Australian age structure younger (ABS 2006).

However, the extent to which immigration affects the demographic structure depends on the number of migrants entering Australia each year. “In Australia, a moderate level immigration country, overseas migration has a significant contribution to population growth...had there been no overseas migration between 1945 and 2000, Australia would have had 7 million fewer people” (ABS 2005, 9). Accordingly, immigration will continue to play an important role in sustaining population growth, assuming the current intake levels remain consistent.

2.5 THE BABY BOOMERS

The Baby Boomers are referred to as the generation born between 1946-1965 in Australia, or overseas during this period. The Baby Boomers were born in the period from the end of World War Two until mid 1960s and generally occurred when most countries were “relatively prosperous, industrially advanced with rapid expanding economies, rising living standards and serious labour shortages” (ABS 1999, 4). This period of time in Australia saw high levels of fertility and immigration, which boosted the economy.

Given the increase in population as result of the Baby Boom, this cohort represented the greatest proportion of people proceeding any other generation. Incidentally, given the magnitude of this generation, for many reasons they have been closely observed as they have progressed through the age structure, from birth, middle age to the onset of retirement. This is represented in Figure 4 below, showing the distribution of the Baby Boomers in proportion to the Australian population during various eras.



ABS 2001 Census data states that between 2011 and 2031, Baby Boomers will make a significant contribution to the number of people aged 65 years and over. During this period, the population aged 65 years and over is projected to grow from 3.2 to 5.7 million seniors. By 2031, all surviving Baby Boomers will be between 65-84 years of age. In the following 20 years, “the population aged 85 years and over is projected to almost double, reaching 1.6 million in 2051” (ABS 2003, 4).

The “growth rates for those aged 85 years and over are projected to be more rapid than for any other group in the population” (Tatchell 2005, 38). As a result of a combination the Baby Boomers entering retirement age, decreased fertility and morbidity rates and increased life expectancy, there has been a demographic shift in the population which has created a ‘tidal’ effect on the way in which planners and other industry professionals prepare for the onset of the population 65 years and over. Accordingly, this will have major implications on the demand for suitable housing, health care services and other social and financial aspects within the broader community.

Research conducted by Olsberg and Winters (2005, ii) about the intergenerational and intra-familial housing transfers and shifts in later life reveals a number of key findings about the Baby Boomers in terms of their values and priorities. These values and priorities of the Boomers are changing the nature of household tenure, lifestyle and family in general. Furthermore, greater expectations socially have seen a “desire for independence, flexibility, consumer and lifestyle choices increasingly taking precedence, challenging traditional notions of old age and family obligations” (Olsberg and Winters 2005, vii). Contributing to this is the result of increased longevity, changing family structures, mobility and diversity. Social changes which have also occurred over the last few decades, such as increased prevalence of divorce and greater workforce participation by women, have also shaped the changing attitudes of the Boomers, who are generally more assertive than previous generations.

Furthermore, typical family structures have been changing in Australia over the last few decades. This is due to the changing nature of family and attitudes as a result of increasing numbers of divorces, remarriage, de-facto partnerships, extended families and single parent families. As a result, there are also increasingly more incidences of multi-generational families, comprising grandparents, parents and children in the one household. This in effect presents a reliance of care on the Generation X to become carer for not only their own children, but potentially their Boomer parents. As a result, “social and structural changes in Australian society will also make it difficult for older people to call upon financial support from their families” (Olsberg and Winters 2005, ii).

However, “there is a strong generalised culture of independence among older Australians, an unwillingness to have to depend upon their children for financial support, and great value placed by older people upon being in control of their own lives” (Olsberg and Winters 2004, ii).

Australia’s ageing population is a widely documented phenomenon, however the extent of the demands and effects of the Boomer generation may not be well known. Nevertheless, Australia is not unique, as many other countries are also experiencing the effects of an ageing population, and to a greater degree. Graeme Hugo provides a combination of demographic analysis and highlights the implication on planners, suggesting that Boomers will “expand the numbers of older Australians like no other generation before them, but little research has been done into how they will differ from earlier generations of older people and what this will mean for service provision” (2003,111). Hugo also makes informed speculations on why the Boomers will be different from previous aged generations, including that they: “encountered high incidence of divorce; are ethnically heterogeneous; are healthier and health conscious; likely to live in different areas; had fewer children; have private superannuation; will be more travelled; and more selfish” (2003,112). This view is supported by Offord (2004, 424), who comments that they are well educated, have more money and certainly have higher expectations of lifestyle than previous generations..

Interestingly, Boomers “do not perceive themselves as growing old, and are uncomfortable about the prospect of ageing, nor will they want their homes to identify them by their age” (Spanbroek 2005, 69). This emphasises their distinct reluctance to think about the future, especially in terms of housing. It is also noted that Boomers are more inclined to ‘age in place’ in their own home and community rather than in an aged care facility, which “conjures up images of immobility and old age, something which is not yet part of their cultural vocabulary” (Olsberg and Winters 2005, ix). While once the value of the family home was seen as part of their identity, it is now an asset for future retirement options. Furthermore, attitudes have changed in terms of their children from being one of self sacrifice to self interest, with the common attitude by many summarised by the acronym ‘SKI’, Spending Kids Inheritance.

With these key considerations in mind, the Boomers are considered to be a more financially, physically and mentally active cohort. Essentially, their mindset is different from previous generations, which will prove to be a challenge in providing for their needs, as mentioned by Hugo. As indicated, there is strong resistance by Boomers to reside in an assisted care facility, refusing to accept ageing is occurring, regardless.

Research suggesting that the probability of using an aged care home over a lifetime is high, was conducted by the Australian Institute of Health and Welfare which concluded that “a much larger proportion of older people than has been recognised are likely to be admitted to an aged care home at some point in their lives” (Rowland and Braun 2002, 117). Statistics in this research show that admission becomes highly likely for both men and women as age increases. While historically the Boomers are a very mobile generation, inappropriateness of housing stock will be a contributing factor to further demands for accommodation, especially in later life, as “already there is a demand for these features, as Baby Boomers look for living options that suit their lifestyles and older people demand better facilities” (Lynch 2005, 22). Accordingly, suitable accommodation will be necessary in the provision of housing for the Baby Boomers in the coming decades.

2.6 AGED CARE IDEOLOGY

Traditionally, aged care accommodation was undertaken in nursing homes and hostels. However, this was not always the most appropriate housing to meet the needs of seniors. These traditional models of aged care accommodation were undertaken by non-profit organisations and charities under the *Disabled Persons Housing Act, 1954*. In addition, institutional aged care accommodation was predominantly located away from communities, established in areas of isolation during the 1960s. This was in keeping with the ‘Disengagement Theory’ defined as “an inevitable process which many of the relationships between a person and other members of society are severed, and those remaining are altered in quality” (Cummings and Henry 1961, 210).

This theory generally involved the process of social and psychological isolation of an individual from society in order that they naturally pull away from society as they age to reflect on life. Most institutional care established during this time was generally located on the outskirts of suburbia, making it difficult for residents and relatives to maintain contact with ease, as well as contact with the community. This theory exacerbates a perceived stigma attached with ageing and the elderly. This is brought about by a number of factors in society, where a negative perception of ageing is evident in terms of housing and health care. Followed by the 'Activity Theory', which emphasises the importance of on-going social contact, a shift in the ideology of ageing occurred. This theory encourages people to remain actively involved within the community and engage in activities which contribute to personal interaction with people of all ages. Accordingly, this shift in ideology has generally been recognised by Government initiatives.

The notion of *Ageing in Place* is one of the key ideologies of aged care in Australia. With policy aimed at keeping residents in their homes, housing needs to be adaptable to suit the changing needs of residents as they age at a local level. This 'age in place' ideology is in keeping with economic concerns that the cost of aged care services as a demographic shift occurs will increase cost for the Government. By allowing people to 'age in place' this keeps the demand for aged care places at a necessity-only basis. While there has been a particular notion that ageing in place is the most appropriate means of housing the ageing population, this raises a number of issues. While for most seniors, ageing in place is the most appropriate means of accommodation, this is generally more suitable for healthy, active and financially well-off seniors.

Furthermore, if it is considered that seniors should remain in situ, most family homes do not allow for increasing physical frailties, requiring major renovations to enable a barrier free environment in which the occupants can age in place. The need for adaptable housing which allows people to remain in-situ is a theory which is highlighted by Alcock (2005) and Langdon (2003). Both authors illustrate the lack of available options for the ageing population to consider, not allowing residents to remain within a community throughout a lifetime.

This view is supported by Spanbroek, stating, “in Australia, demand will increase for appropriately designed, affordable housing as a result of property prices, shortage of metropolitan land and the current lack of appropriately designed and accessible housing” (2005, 70). In addition, there is also a general shift towards down-sizing accommodation as seniors enter retirement age. This generally reduces the amount of maintenance and management of dwellings and associated landscaping, which can become a burden as mobility and health decrease.

While it is acknowledged that a proportion of the population will maintain a healthy active lifestyle into older age, it is known that at some stage, many will require assistance from aged care services in their lifetime. Furthermore, with the proportion of people moving into retirement over the next decade, in addition to increased longevity, there will be a demand for aged care. Commonwealth initiatives emphasise healthy ageing and attempting to keep people out of health and residential care facilities for as long as possible. The main reasons are that ‘ageing in place’ is more cost effective, as well as being the desire of the population, especially Baby Boomers.

Furthermore, the Baby Boomers may be perceived as a burden on the Australian labour force as they enter retirement, and accordingly, governmental assistance in policy has allowed for the provision of services, both socially and economically. “Of particular concern is the anticipated increase in costs associates with care and income support of a rapidly growing aged population, and how much Australians will be willing to pay. Much of recent government policy has focused on cost reduction as well as shifting costs and responsibility from the public sector to individuals, families, community groups and the private sector” (ABS 1999, 1). This is further examined in Chapter 3 of this thesis.

2.7 CONCLUSION

Australia's ageing population will bring with it considerable change. This will not only be evident from an economical perspective, but also from a social perspective. While seniors are generally considered to be a minority in society, with the increasingly ageing population, there will be a greater focus on planning for this cohort. In particular, housing will be an important issue. Accordingly, "the ageing of the population is a major issue for policy makers, particularly in regard to the long term implications for reduced economic growth and the increasing demand for Age Pensions, health and aged care services" (ABS 2006,1).

With the onset of an ageing population in Australia, there is rising concern as to whether Australia can afford the higher dependency rates that the population will bring as they enter retirement. As a result of this shifting demographic pattern, the amount of people of employment age will drop as the Baby Boomer cohort enters the age of retirement. The reduction in the amount of workers has the potential to place considerable strains on the economy, which has implications on all sectors.

From an economic perspective, with a disproportionate number of people over the age of 65 and younger than 14 years old, there is a broad disparity. This leaves a shortfall in the number of working age people which will be required in order to support the increasingly ageing population. In addition to this, with a decreased level of women in reproductive ages, the fertility rate will also decrease, leading to a reduction in population growth.

However, an ageing population should not be looked at as a financial burden on society. While seniors of retirement age may not continue to financially contribute to society, their value is in providing assistance in volunteer services and other community services. As an inherent perception in society, social value is based on the assumed contribution of an individual economically. This is also measured in an economic sense, where governments have responded to the ageing population with a degree of concern considering the magnitude of the projected ageing cohort, especially in terms of budgetary allowances. Accordingly, this negative perception of ageing has permeated through all sectors of society, measuring economic contributions of an individual, opposed to social worth to society.

In addition, from a social perspective, the onset of an increasingly ageing population means there will be increasing demands for housing, health and aged care. As mentioned, while there is a progressive shift towards ageing in place, there will undoubtedly be an increase in the need for aged care as a result of longevity and decreased morbidity. Furthermore, the result of the Baby Boomer generation will shift traditional mindsets about ageing, specifically in terms of accommodation needs and desires. Accordingly, suitable accommodation for the ageing population will become a priority in the near future, with planning an urgent consideration.

In conclusion, this chapter has provided an overview of the Australian and New South Wales population in terms of existing and projected demographics, showing an overall increase in the shift in population structure, as a result of the Baby Boomers approaching 65 years and older. In addition, various trends influencing the ageing population have been discussed including fertility, life expectancy and immigration. An overview of the Baby Boomer generation has been discussed, highlighting the differing needs of this generation at the onset of their retirement. Finally, an overview of the ideology of caring for the aged has been discussed to give a complete background to ageing in Australia.

3.1 INTRODUCTION

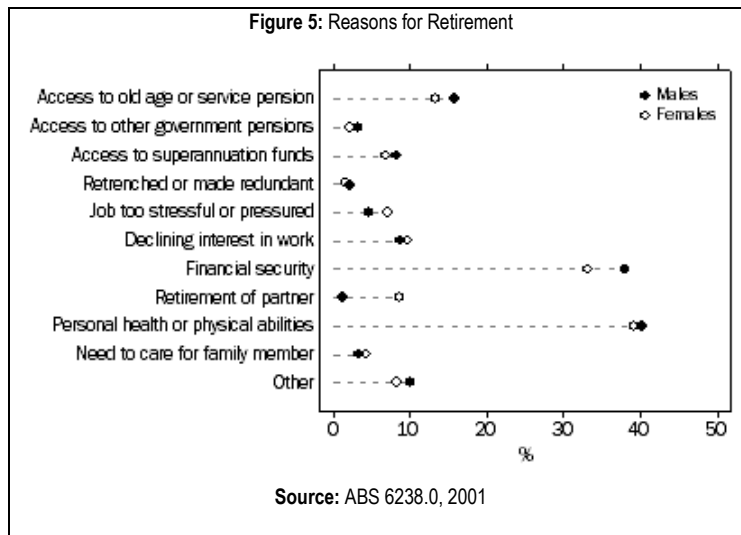
Chapter 3 will provide a detailed overview of aged care at a Commonwealth Government level. The primary aim of this chapter is to examine the role of government in the provision of aged care housing. A review in terms of existing ideology, strategies and policy frameworks will be conducted to identify the various responsibilities of Federal Government in terms of the provision of aged care housing. This chapter will include a national level overview of aged care, including a discussion of Government initiatives such as retirement, the Age Pension, superannuation, housing, and healthy ageing programs. In addition, two key documents; the *National Strategy for an Ageing Australia* and the *Intergenerational Report* will be documented with regard to their impact on aged care in Australia. Finally, a review of the *Aged Care Act, 1997* is undertaken, followed by a conclusion.

3.2 NATIONAL LEVEL OVERVIEW

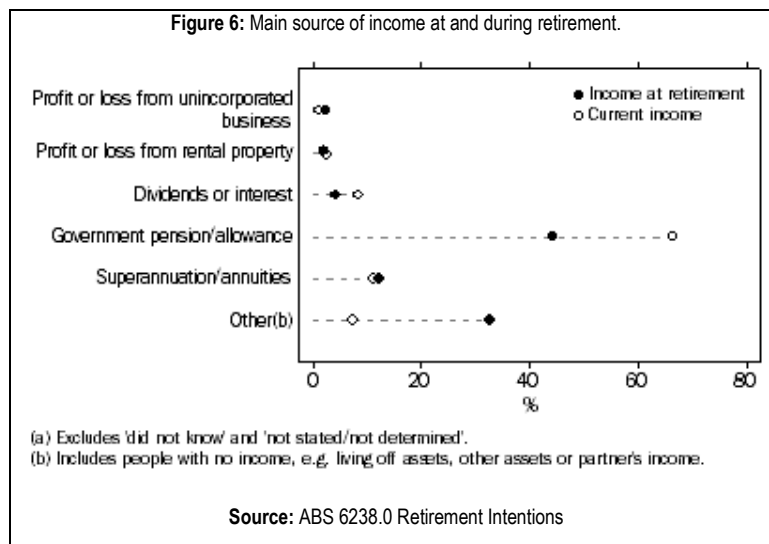
The Commonwealth Government has introduced a number of strategies and policies to deal with the expected implications of the projected ageing population. This has been undertaken over a number of years, in which research and various studies have identified a number of potential concerns about the social and economic implications of an ageing population in Australia. Accordingly, in response to this, the Commonwealth Government and advisory bodies have released policies and strategies, which have shifted from the traditional means of providing care for seniors.

Retirement

In Australia, there is not a statutory age requirement for retirement. However, Australians generally retire between the ages of 55 years and 70 years, with a trend towards early retirement. This is due to a number of factors including eligibility for the Age Pension, access to superannuation funds, financial security, personal health or physical abilities (see Figure 5). ABS Census data reveals that in 2004-5 “an estimated 3 million people aged 45 years and over were retired from the labour force, comprising 1.3 million men (44%) and 1.7 million women (56%)” (ABS 6238.0, 2006). The average age of retirement was 52 years; being 58 years for men and 47 years for women. Furthermore, the highest proportion of retirement for men occurs between the ages of 55-64 years (55%) compared to women who had the highest proportion retiring less than 45 years old (33%)(ABS 6238.0, 2006).



The retirement system in Australia generally envisages retirement around the age of 60 years old during which retirement savings can continue to accumulate or retirement income can be accessed. ABS census data indicated that of those retirees, their main source of income was primarily from a government pension or allowance (54% of men and 37% of women), while a further 13% lived off lump sum payments, savings or assets and only 12% off superannuation or annuity payments (ABS 6238.0, 2006). However, there is a notable difference between the main source of income at retirement and that of a current income during retirement, due to eligibility with age to claim government pensions. This is shown in Figure 6 below, with the most notable changes being the reliance on the pension increasing, while other means of funding during retirement decreased.

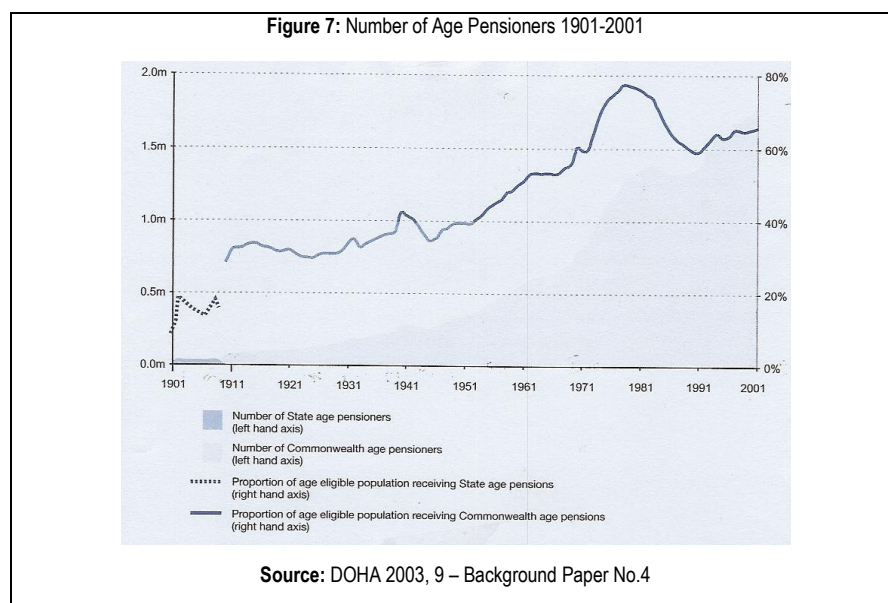


As indicated, there is a relatively high reliance on the pension which has broad economic impacts on the Australian economy. With the onset of the Baby Boomer generation, there will be a significant increase in the proportion of people aged over 65 years, which as a result will place significant pressures on the outlay and the maintenance of adequate social security payments, in particular old age pensions.

Age Pension

Initially, when policies and strategies were first developed around the time of Federation, the primary contribution of the Government was to support older people by the provision of income support, especially for those with limited means. This was done through the introduction of the Old Age Pension in 1 July 1909, subsequently known as the Age Pension after 1947 (AIHW 2003,5). This was initiated by the Fisher Government, sought through the *Invalid and Old Age Pensions Act 1908* as a right and not a charity, to assist rather than take full financial responsibility for older people (AIHW 2003, 7).

At the time of the introduction of the Old Age Pension in 1907, the Australian Government provided a total of £1.4 million, which is equivalent to 0.5% of GDP and around 9.2% of all Government expenditure, and since that time, expenditure has increased to 2.5% GDP and 10.7% in 2001. (AIHW 2003, 7). This is illustrated in Figure 7, which shows the gradual increase in financial support due to the increase in the future with greater numbers of people claiming the pension.



As indicated, the Age Pension is aimed at providing financial support to older people unable to support themselves in retirement; essentially to alleviate poverty. “A touch-stone of a civilised society is that it values and provides support for older people in recognition of their past and present contribution and respects their right to dignity as they live in old age” (Andrews 2002,8). To be eligible for the Age Pension, men must be 65 years and women 61 years of age of whom are permanent Australian residents or citizens. In addition to this, pensioners receive additional support in the form of rent assistance, a pharmaceutical allowance, a Seniors Card and a pension concession card, which entitles the holder to a range of concessions provided by Commonwealth, State and Local Government (DoFCS 1999, 19). The Age Pension is a flat rate non-contributory payment which is indexed to the Consumer Price Index (CPI) and a minimum of 25% of Male Total Average Weekly earnings, which allows people dependant on the pension to benefit from increases in standards of living. In addition to this, the Department of Veterans Affairs also provides a range of benefits for war veterans and their dependants, known as the Service Pension, and is very much alike the Age Pension, with the exception that men are eligible at the age of 60 and women 56 years.

Accordingly, with the increase in the ageing population in Australia, significant pressure will be placed on the economy, especially the expenditure for the elderly. However, “the extent to which an ageing population will put pressure on retirement income support programs will depend on the asset level of retiring populations” (DoFCS 1999, 19). Over 70% of Australians aged over 60 years old currently collect the pension (DOHA 1999, 16). In addition, as the proportion of people over the age of 65 years increases, there will be a likely increase in the reliance on the Age Pension in retirement. The potential impact has been identified and a number of policy responses have occurred as a result. Firstly, the age at which women become eligible for the Age Pension is slowly being increased from 61 years to 65 years by 2013, “due to women outnumbering men by almost two to one amongst Age Pension recipients” (DoFCS 1999, 19). In addition, the introduction of a deferred Pension Bonus Scheme (PBS) for people continuing employment past the age of retirement, to provide financial incentives for later retirement. Furthermore, the most notable shift in Government initiatives for the encouragement of self provision for retirement is through the accumulation of superannuation. “While the age pension will remain as a modest but adequate safety net, there is a need to increase capacity to support the likely higher aspirations of a larger retired cohort” (Andrews 2001, 10). Further details are discussed in the next section.

Superannuation

As previously indicated, the Australian government has a publicly provided pension, in addition to the introduction of a compulsory superannuation system which has the objective of facilitating the accumulation of private savings for retirement. However, as the result of anticipated increases in the public welfare expenditure, policy has shifted towards self provision. Essentially, “government have attempted to shift the responsibility for aged care from the public sector towards the private sector and to individuals themselves” (DOHA 1999, 2).

The Superannuation Guarantee Legislation was introduced in 1992 and requires employers to provide a minimum level of superannuation contributions for people earning \$450 or more a month. Superannuation is required to be preserved in the system until retirement on or after 65 years. Compulsory superannuation contributions are designed to reduce the level of dependency on the aged pension, playing a major role in constraining the future growth in pension outlays. About “84% of people on the aged pension received income support from the Department of Health and Aged Care or Veterans Affairs” (DOHA 1999, 27).

However, “superannuation assets are rising but it will take a long time for the public sector pension burden to wind down because many superannuants face low super payouts” (DOHA 1999, 28). At present, approximately 90% of Australian workers have superannuation. While it is recognised that superannuation payouts will increase in the next few decades, the level of funding which may be available at the time of retirement is dependant on the lifetime earnings of a worker, and the contributions made. This may present difficulties for those people on low incomes or those who had been unemployed for a period of time. However, it is recognised that in the coming decades the proportion of people dependant on the Age Pension will drop; however, it will take some time before responsibility is shifted to private funded retirement. Furthermore, the proportion of people who were unable to save a significant amount of retirement savings will be reliant on the age pension for support. This is estimated to be less than 20% of the population. Nevertheless “under the current policy settings, including current pension and superannuation arrangements, and given the ageing population structure, the age pension bill and other costs of supporting the aged will certainly rise over the next 50 years” (DOHA 1999, 20).

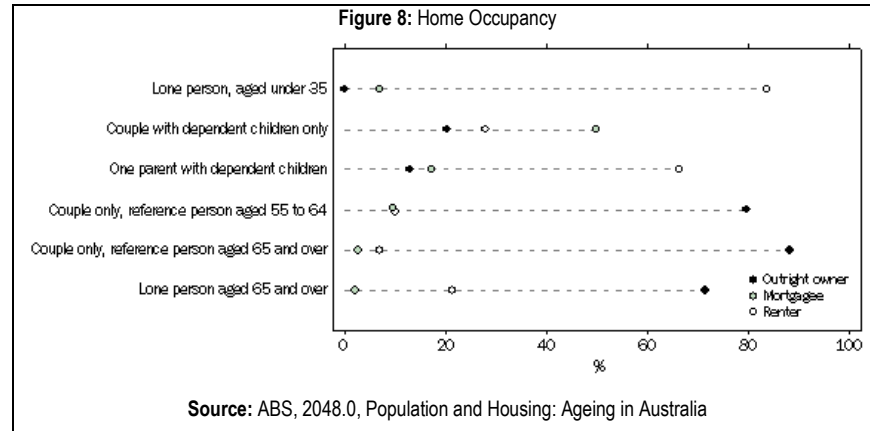
Healthy Ageing

Healthy Ageing is a Government initiative to promote healthy lifestyles and illness prevention in Australians. It is defined in the *National Strategy for an Ageing Australia* Healthy Ageing discussion paper as “both the protection from disease and the achievement of optimal well-being in spite of specific conditions or disability” (Bishop 1999, 1). Highlighted as an area of importance, the Government’s healthy ageing initiative seeks to encourage improved health and wellbeing, which will enhance quality of life and life expectancy in later life. Furthermore, healthy ageing is of great importance for maintaining independence and wellbeing. This in effect, reduces the reliance on the health system or need for assistance in terms of aged care. Given the increased proportion of people entering older age in Australia, Government initiatives have been welcomed in order to alleviate the potential pressure associated with older age and care on the health system. Furthermore, ageing affects all levels of society, from Government, businesses to community and individuals. This is discussed further in the following sections.

Housing

Housing is an important issue which affects everyone in society. It is recognised that “home ownership underpins welfare and housing policies in Australia – it is the cornerstone of the Australian welfare state” (Baxter 2005,1). Government policy in Australia recognises the importance of home ownership, which is the cornerstone of the ‘Great Australian Dream’ in a country with one of the highest rates in comparison to other countries. The desire for the ‘Great Australian Dream’ of owning a home demarcates the importance housing plays in Australian society. “Not only has the family home always been the most significant financial asset for the majority of Australians, home ownership has served as an important icon for personal identity and family values” (Olsberg and Winters 2004, ii). Furthermore, home ownership plays an important role in retirement, providing a major asset and contribution to a continued standard of living.

According to 2001 Census data indicated 80% of people over 65 years of age were home owners, with 75.5% owning their homes outright unencumbered by mortgage. Even for those aged over 85 years old, 74.3% were home owners with 70.3% owning their homes outright without a mortgage (ABS, 2048.0, 2001). This is displayed in Figure 8.



Home ownership with age allows for a greater degree of flexibility in choice and lifestyle. This generally provides an investment for the future and a means of security. Furthermore, “historically the age pension has been set at a relatively low level when compared to other countries because of the relatively low housing costs that the majority of older people have as they own homes outright” (Baxter and McDonald 2005, 1). However, while the majority of the Baby Boomers own their homes, there are also a proportion of people who do not. As the result of increased divorces there are a number of people living alone, many of which rent and are women. This raises concerns for their future, with few women having sufficient means of supporting themselves in older age, with the majority of “single women have lower assets than single men do and partnered women are often reliant on their partners’ retirement savings” (Olsberg 2004, 1). This is also of considerable concern given the predominantly higher proportion of divorce rates in the last few decades, leaving divorced women amongst a potential minority in terms of housing ownership.

Furthermore, the Government is committed to ensuring that affordable, appropriate housing is available to all Australians, with assistance provided at various levels to permit this. Key issues which affect housing need include affordability, appropriateness and availability. Derived from the Adequate Housing Model developed by the Australian Housing and Urban Research Institute, the model recognises that housing need is multi-dimensional, comprising of at least three essential components: appropriateness, affordability and availability. Each impinges upon and interacts with the other, as complex housing choices are made or forced to be made by a household” (LGSA 1998, 2). This is shown in Figure 9 below, which illustrates the relationship between the three issues, which are all inter-related and complex.



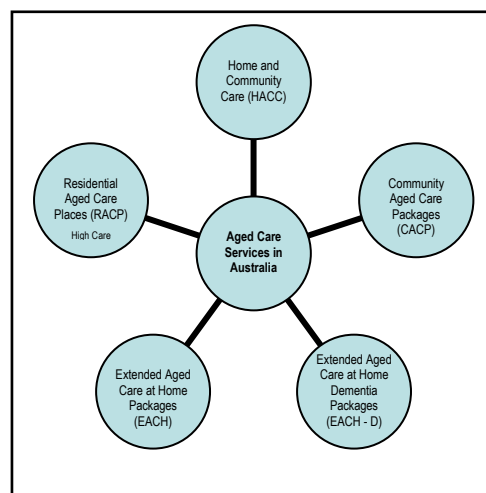
(Source: Adapted from LGA of NSW 1998, 6)

Appropriateness relates to the availability of housing that is of an acceptable standard, design and location, defined “in terms of physical attributes, security of tenure, geographical location in relation to employment opportunities, transport and services, delivery mechanisms and its impact on the wider community and the local urban environment” (LGA NSW 1998, 8).

Affordability refers to the ability of a household to afford accommodation, more specifically “the notion of reasonable housing costs in relation to income: that is housing costs that leave households with sufficient income to meet other basic needs such as food, clothing, transport, medical care and education” (LGA NSW 1998, 8). Maintaining a degree of affordability in the housing market is a key direction of Government, especially in relation to minority groups within the community, such as low income households. This sector of the housing market is often referred to as welfare housing or social housing and is somewhat associated with negative connotations. Finally, *availability* relates to the sufficient supply of accommodation with close proximity to facilities, services and social networks. This form of adequate accommodation is provided at various levels of government through various mechanisms and differing levels of assistance.

Aged Care System in Australia

Australia has a two tiered system of aged care comprising residential aged care facilities, which offer nursing care (high care) and hostel level care, which offers a range of services to people living in the community (low care). Both provide facilities and services dependant on required specialist needs. The aged care system in Australia generally “operates within the broader scope of medical and health services, income support, and housing and community services” (DOHA 2005, 4). It is estimated that one in four people aged over 70 years old makes use of some form of aged care services, with the majority of care provided in situ (DOHA 2006). While residential aged care and community aged care packages form the backbone of aged care in Australia, there are also various other aged care programs providing assistance. This is shown in Figure 10 below and discussed in greater detail following.



Source: Iturrieta, 2006

In addition, for seniors who require higher levels of care, the Government provides various levels of assistance through funding of Residential Aged Care Packages (RACP), Community Aged Care Packages (CACP) and Extended Aged Care at Home (EACH) packages. In Australia, aged care funding is subsidised by taxation revenue and user contributions. In the past financial year, the Australian Government has spent approximately \$7 billion on ageing and aged care. Of this allocated expenditure, a substantial proportion (\$5.3 billion) was paid for Residential Aged Care Places (RACP) and \$368.3 million for Community Aged Care Packages (DOHA 2006). "In the following year (2006-2007), the Australian Government is expected to invest more than \$7.8 billion in supporting older Australian's, both in aged care homes and in their own communities" (DOHA 2006, 4). This is part of the Governments commitment to ensure aged care services are of a particular quality, accessible and affordable.

Residential Aged Care Packages

Residential Aged Care Package (RACP) refers to both high and low care accommodation. This form of aged care is predominantly funded by the Government, while generally provided by the non-government sector, such as charities and private sector organisations. There is also a small proportion of state and local government operated aged care homes. RACPs are financed and regulated by the Commonwealth Government but generally provided by the non-government sector, with a small proportion of state and locally operated residential aged care facilities. The Commonwealth Government controls the allocations of RACP places which provide regions with a funding based on population ratios and budgetary allocations. Funding for RACP has doubled in the last ten years, from \$2.5 billion in 1995-96 to \$5.3 billion in 2005-06 (DOHA 2006). At the end of the last financial year there were 183,395 allocated residential type places, of which 161,165 were actually operational in Australia (DOHA 2006, 4). These places are allocated by the Commonwealth Government on a yearly basis through Aged Care Approval Rounds, in which funds are allocated to approved providers based on a national planning benchmark. This system of allocation at the national level determines the amount of places per region, based on 108 aged care places for every 1000 persons of the population aged 70 years and over (DOHA, 2006). This system allows for an equitable distribution of care through the community depending on demographic proportions. This planning ratio has subsequently been adjusted according to the increasing ageing population in Australia as a Government response.

This in effect has a relatively large influence on the provision of RACP, which not only require capital grants or developer funds to provide facilities, but also on-going government assistance to provide high care to residents. The Commonwealth legislative framework, the *Age Care Act, 1997* covers only residential care facilities that receive Commonwealth funding. 'The Australian government and to a lesser extent state and territory governments, heavily regulates quantity, quality, location and price' of residential aged care facilities (DOHA, 2004, 1).

In 2004, the Commonwealth Report released a report prepared by Warren Hogan (also known as the Hogan Report) on the *Review of Pricing Review Pricing Arrangements in Residential Aged Care*. This focus for this report was to consider the long term prospects of the aged care industry, specifically sources of funding and financial arrangements associated with care. This report includes background papers and various commissioned studies into the economical implications of an increasingly ageing population and the relationship between price and resource allocation. This leads to the key questions as to "how future older Australians can take greater financial responsibility for their aged care needs in order to take greater financial responsibility for their aged care needs in order to relive intergenerational inequalities" (Hogan 2004, 2)

Community Aged Care Packages

One of the most important policy developments in Australia over the last decade has been the shift in the balance of care away from residential care and towards home based care (AIHW, 1999, 17). Community Aged Care Packages (CACP) support frail or disabled people who prefer to remain in situ, while providing low care assistance. This was introduced in 1998 as part of the 'Staying at Home Initiative' which was a response to the disparate system of home based services. The increase in assistance within the community has allowed people to remain in their homes – ageing in place. CACP provides personal assistance to recipients in their own homes including personal hygiene and dressing, transport assistance, home assistance with meals, laundry and general maintenance and support services. At the end of the last financial year, there were 32,588 CACPs operational.

Extended Aged Care at Home

Extended Aged Care at Home (EACH) and Extended Aged Care at Home Dementia (EACH-D) packages provide a high level of care to an individual through planned and coordinated packages in their own home. EACH packages provide a higher level of care to the recipient, including nursing style care, personal assistance, meals and feeding, therapies, mobility support, leisure and interest activities and emotional support. Similarly, EACH-D packages provide the same services offered in EACH, however, provide additional dementia specific services, varying based on the recipients needs. In the last financial year, a total of 1,672 Extended Aged Care at Home (EACH) places existed, with an addition 900 packages allocated in the 2005 approval rounds, as well as 667 EACH-D packages (DOHA 2006).

Home and Community Care (HACC)

The Home and Community Care (HACC) package is a program which delivers a variety of basic support services for frail aged people or those with a disability. This allows support to be delivered to the recipient in their homes, while ensuring that independence is maintained to prevent premature admission into residential aged care facilities. The Department of Health and Ageing estimate that in the last financial year “HACC supported 32.2 million hours of service and the delivery of 12 million home meals, providing to 744,000 people” (2006, 4). This care was generally provided at centre based day care, followed by home assistance and care.

Evidently, with a greater proportion of people aged over 65 years, within the next decade there will be an increase in the demand for different types of accommodation available. This is also supported by Hugo, who states, that the changing age structure of the population will have a significant effect on the extent to which “those ages 75 years and older leave the housing market through entering some form of institutional housing” (Hugo, 2005,37). Census data also reveals that of the 2.2 million older Australians, about 150,000 (7%) lived in non-private dwellings (institutions). The proportion of older Australians living in non-private dwellings increased steadily with age. By comparison, more than half (52%) of the 18,100 people who were aged 95 and over lived in non-private dwellings. (ABS, 2001). This is supported by the Commonwealth’s approach of “Caring for the Elderly’ which notes that it is generally understood that the greatest need for support is in the last two years of a person’s life (McIntosh & Phillips, 2003, E-Brief).

Furthermore, compared with the rest of the population, persons aged over 65 years have per capita health expenditure around four times higher, are admitted to hospitals more often and stay longer, as well as having an expenditure 2.5 times higher on pharmaceuticals (McIntosh, 1998). While it is well known that most older people want to maintain independence in their own homes, supported by Commonwealth Government initiatives and policy forming over the last decade, it is also important to note that with the increase in proportion of ageing population, the need for aged care housing will increase in demand. Accordingly, an ageing population will have considerable impact on housing stock demand. Furthermore, appropriate, affordable and available accommodation will be an important factor in adequately housing this cohort.

3.3 GOVERNMENT STRATEGIES

Since the International Year of Older Persons in 1999, a number of responses to the needs and issues affecting the ageing population have been realised at a federal level of government response. Two key policy documents were released by the Commonwealth Government; the *National Strategy for an Ageing Australia* in February 2002, and subsequently the *Intergenerational Report* released by the Treasurer as part of the 2002-03 federal budget in May 2002 in response to the ageing population.

National Strategy for Ageing Australia

The *National Strategy for an Ageing Australia* was released by the Honourable Kevin Andrews MP, Minister for Ageing in 2001. The *National Strategy for an Ageing Australia* provides a framework to support the Australian Government's response to the demographic shift occurring, by identifying principles, goals and actions as guidance. This Commonwealth strategy arose from previous issues from the International Year of Older Persons in 1999, which promoted the needs of and issues affecting older Australians. The *National Strategy for an Ageing Australia* provides a broad framework for addressing issues arising from the demographic shift in population. This strategy does so through a set of principles, goals and actions to guide various government bodies, business and stakeholder groups in the community.

The strategy firstly identifies a number of broad principles of change and issues to be addressed, including: An ageing workforce and equality in employment; Retirement funding to provide adequate and sustainable income; Age inclusive communities through the provision of age friendly infrastructure and community support; Healthy, independent ageing in place; and, Demand for accessible, appropriate and high quality health and aged care services. These key principles are developed further in goals relating to specific topic areas which is summarised in Table 1 below.

TABLE 1 – SUMMARY OF BROAD PRINCIPLES			
TOPIC	GOAL	ACTIONS	RESPONSIBILITY
<i>Retirement Income System</i>	<ul style="list-style-type: none"> • A secure and sustainable retirement income; and, • A system providing an adequate retirement income, supporting and encouraging individual contributions to retirement savings through working life. 	<ul style="list-style-type: none"> • Means testing the pension; • Educating workers and the community about private savings; • provide adequate information; and, • promote private savings as major retirement fund. 	<ul style="list-style-type: none"> • Australians; • Commonwealth government; • Employers; • Super funds;
<i>Changing workforce</i>	<ul style="list-style-type: none"> • The removal of barriers to the continued participation of mature workers in the workforce; and, • Employment system that recognises the importance of retaining mature aged workers in light of future decline of workforce. 	<ul style="list-style-type: none"> • Raising the profile of older workers in terms of recognition; • Increase opportunities for on-going training and development; • Support for continuing workforce participation. 	<ul style="list-style-type: none"> • Commonwealth government; • State and territory Government; • Employers; • Community; and • Organisations.
<i>Attitude, lifestyle and community support</i>	<ul style="list-style-type: none"> • society has a positive image of older Australians, appreciates their diversity and recognises their role and contribution to the economy and community; and • public, private and community infrastructure is available to support older Australians and their participation in society. 	<ul style="list-style-type: none"> • Promotion of positive images and attitudes; • Improve communication and relationships between young and old; • Increase focus on ageing population policy; • Improve access to affordable accommodation; and, • Improve consumer housing options. 	<ul style="list-style-type: none"> • Commonwealth government; • State and territory government; • Business and education sector; • Industry sectors; and • Media and advertising.
<i>Healthy Ageing</i>	<ul style="list-style-type: none"> • All Australians have the opportunity to maximise their physical, social and mental health throughout life; • Population health strategies promote and support healthy ageing over a lifetime; and • Information, research and health care infrastructure is available to support healthy ageing of the ageing population 	<ul style="list-style-type: none"> • Deliver social and economic conditions to optimise opportunities for physical, social and mental wellbeing; • Developing solid research bases for healthy ageing; • Strengthening role of prevention in health care system & healthcare strategies for older people; • Raise awareness, information and education in healthy ageing. 	<ul style="list-style-type: none"> • Commonwealth Government ; • State and territory government; • Local Government; • Health care industry; and • Community.
<i>World Class Care</i>	<ul style="list-style-type: none"> • A care system that has an appropriate focus on the health and care needs of older people and adequate infrastructure to meet these needs; • A care system that provides services to older people that are affordable accessible, appropriate and of high quality; • A care system that provides an integrated and coordinated access, assistance and information for older Australians with multiple or diverse care needs; and, • A sustainable care system that has a balance between public and private funding and provides choice of care for older people. 	<ul style="list-style-type: none"> • Expanding the evidence base for care of older people; • Improving service planning and resource allocation across care sectors and levels of government; and, • Developing an appropriately sized, distributed and trained workforce to meet the need. 	<ul style="list-style-type: none"> • Commonwealth Government; • State and territory Government; • Local Government; • Committees; • Education and research organisations; • Health industry

The strategy recognises that the changing environment in terms of social, environmental and economic will bring with it a number of changes, particularly relating to diseases, disabilities, family structure and wealth, all of which affect how Australia responds to the onset of the ageing population. The strategy states that “Australia’s strong record of economic growth and sound economic fundamentals means that the older population is not expected to be a burden on the community” (2001, ix). This is in contrary to earlier reports, such as the *Age Gracefully: An overview of the economic implications of Australia’s ageing population profile Occasional Paper* prepared by the Department of Health and Ageing, which concludes that “what may well be a demographic ‘certainty’ – the ageing population – does not translate into an economic certainty of an increased aged burden for society” (1999, 4). While it is noted that the predicted ageing population will have significant impacts on the Australian economy, it is also recognised that policy reforms may alleviate some of the burden.

In response to the ageing population, the Australian Government is committed to “enabling all older Australians to enjoy active, healthy and independent lives by encouraging positive approaches to ageing and by removing barriers to economic and social participation” (DOHA 2006, 2). Through all levels of government, the Commonwealth has emphasised the importance of an ageing population in terms of policy responses to enable future social and economic direction. This at some level is beyond government involvement. The Strategy is “the vehicle for on-going leadership by the Commonwealth Government in engaging the Australian community” (Andrews 2001, 1). In addition, the Strategy recognises that the responsibility of the ageing population lies with all levels of government from Federal, State to local levels, as well as within the community, business and stakeholder sectors. This is not only considered to be the most appropriate means of ensuring that the key issues and principles contained within the Strategy are implemented, but also acknowledges that the responsibility for the ageing population is one which provides a framework for action. Emphasised by the Hon. Bronwyn Bishop MP in the *National Strategy for an Ageing Australia – Background Paper* (2001):

“Looking towards the next century, I see many challenges facing Governments to ensure we have a health system that we can afford and that will also meet the needs of an ageing population and the expectations of increasingly well informed consumers. The ageing of the population does not have to be a burden if we manage the economy to promote growth and if we focus on ensuring expenditure is well targeted and effective. The *National Strategy for an Ageing Australia* will be a key element in ensuring that we meet those challenges...these economic and policy challenges are critical”

Accordingly, the Strategy recognises the importance of addressing the ageing population, in terms of social and economic challenges as an opportunity rather than as a problem. This can be alleviated through the implementation of foresight and strategic planning and a holistic approach.

Intergenerational Report 2002-2003

The *Intergenerational Report* was released on 14 May 2002 by the Treasury in response to the onset of an ageing population in Australia, as part of the 2002-2003 Federal Budget. While somewhat specifically a document based on assessing the fiscal implications of the ageing population, the *Intergenerational Report* identifies the potential impacts that the Australian economy will face with an increase in government expenditure in health care, pharmaceuticals, age pension and welfare payments, and housing. Based on fiscal scenarios, the *Intergenerational Report* predicts the outcomes of an ageing population on the Australian economy requires greater research to ensure that informed economical and social policy changes occur to maintain economic growth and sustainability. A key issue raised in this document is fiscal sustainability which relates to the economic sustainability needed to provide for the ageing population without relying on the current generation of taxpayers. The Australian Government provides the primary funding in relation to aged care and health services, including Medicare, Medical Benefits Scheme, and Pharmaceutical Benefits Scheme (PBS). The Government also contributes towards hospital services and aged care, including Residential Aged Care and Community Aged Care across the states. Recent studies on Australia's ageing population have generally concluded that there is likely to be an increase in Government expenditure on aged care.

While the Government has sought to encourage superannuation to fund retirement, there is concern over the expected rise in health care expenditure as a result of the ageing population. Furthermore, while the Government does not expect this increase of expenditure to occur within the next 15 years (from 2001), the *Intergenerational Report* recognises the importance of the Governments responsibility to ensure there is sufficient forward planning to meet the emerging policy changes. In response to this report, the Government introduced changes to the tax and superannuation arrangements. In addition, it includes the notion of healthy lifestyles and active ageing in an attempt to reduce the impact on access to health care and aged care services.

Nevertheless, it is acknowledged that at some stage, older Australians will require assistance with aged care services, however, this is increasingly becoming a user pay system. Following the *Intergenerational Report*, a number of reports and inquiries into aged care were published, including the *Submission to House of Representatives Standing Committee on Ageing* (DOHA 2003); *Review of Pricing Arrangements in Residential Aged Care* (Hogan 2004), *A New Strategy for Community Care – The Way Forward* (DOHA 2004), *National Aged Care Workforce Strategy* (Aged Care Workforce Committee 2005). These reports generally conclude the importance of recognising the social and economic impacts of the onset of an ageing population in Australia, making various recommendations and comments to minimise the projected impacts.

3.4 GOVERNMENT POLICY

At a Commonwealth level, the legislation most relevant to the provision of aged care accommodation is the *Aged Care Act, 1997*. The Commonwealth legislative framework is the foundation for the provision of aged care in Australia and provides policy context for ageing in place, the provision and funding of aged care facilities. The objectives of the *Aged Care Act, 1997* are stated inter alia:

- promote a high quality of care and accommodation, and protect the health and well-being of residents;
- help residents enjoy the same rights as all other people in Australia;
- ensure that care is accessible and affordable for all residents;
- plan effectively for the delivery of aged care services and ensure that aged care services and funding are targeted towards people and areas with the greatest needs;
- encourage services that are diverse, flexible and responsive to individual needs;
- facilitate access to care for people with care needs regardless of race, culture, language, gender, economic circumstance or geographic location;
- provide funding that takes account of the quality, type and level of care;
- provide respite for families, and others, who care for older people; and
- promote 'ageing in place' through the linking of care and support services to the places where older people prefer to live.

In October 1997, the *Aged Care Act, 1997* saw structural reform of the aged care industry with the Residential Aged Care Structural Reform package. Prior to this reform, the high care (nursing home) sector was not expanding to meet the need of the ageing population, with significant strain put on the low care sector (hostel), both numerically and financially. These reforms merged the nursing home and hostel sectors into one, known as Residential Aged Care Facilities (RACF), providing either high or low care. This concept of ageing in place allows residents in low care to move into high care as their dependency increases within the same facility. In order to gain entry to a facility, a patient is assessed by the Aged Care Assessment Team (ACAT), based on a dependency classification system known as a Resident Classification Scale (RCS).

This allowed for assessment of a patient prior to admission into a facility to ensure their dependency level would be met. Furthermore, this was a deliberate plan to reduce the reliance on the aged care system and increase home based services. Consequently, Community Aged Care Packages (CACP) were provided to support the ageing within the community, rather than have them in aged care facilities or hospitals. These reforms also were required for the sustainability of the funding system, which would encounter increasing pressure as a result of the proportion of people ageing.

Following the implementation of the *Aged Care Act, 1997* and the reforms which occurred, a review was undertaken. The *Two Year Review of Aged Care Reforms (2001)* prepared by Professor Len Gray assessed the extent to which the *Aged Care Act* was achieving its objectives and improving on the deficiencies of the system prior to that. This review examined eight areas of reference, including: access; affordability; quality; efficiency; industry viability; State and Territory programs; choice and appropriateness; and other considerations. This review concluded that the aged care industry faces a number of significant on-going challenges, including:

1. Firstly, building and restructuring required to meeting compliance standards, particularly the 2008 privacy and space requirements. In particular, “there is still a substantial number of buildings that will require some modification to meet the standards, and a substantial number new buildings required if projected future demand is to be met” (Gray 2001, xxx).
2. Secondly, staffing availability and costs associated with aged care; and
3. Finally, the continuing improvement of quality across all aged care facilities to a clearly specified level.

Gray concludes that the aged care reforms have generally delivered substantial improvements within the industry, with various anomalies addressed as part of the reform implementation.

Further, Gray (2001, xxxii) makes seven recommendations, including:

1. Review supply and demand of residential and community care to ensure adequacy and reliability;
2. Commonwealth and State Government work together to provide aged care services;
3. Further examination of respite care;
4. Further research into the needs of dementia patients in terms of infrastructure;
5. The department and industry work together to ensure clarity in the process of information relating to admissions
6. Further examination of assessment procedures; and,
7. Consider further methods of assessment and continued improvement over time and monitoring of care.

These recommendations were responded to by the Government, in *The Two Year Review of Aged Care Reforms – Government Response*, prepared by the Department of Health and Ageing (DOHA) in 2001. Overall, the review addressed the issues previously associated with aged care prior to the implementation of the *Aged Care Act, 1997* and the aged care reforms package. Accordingly, the reformed aged care systems are more responsive to the needs of individuals and provide a framework for addressing care, funding and quality assurance.

3.5 CONCLUSION

Accordingly, the ageing population is something which has been recognised as everyone's responsibility. The ageing population needs to be addressed as a holistic approach at all tiers of government, business, industry and community to ensure that policy and strategy documents are implemented.

The Commonwealth Government's response to ageing has been primarily influenced by fiscal concerns. As the ageing portfolio has one of the highest proportions of funding, a substantial increase in the proportion of old people in Australia will bring increased costs associated with the Age Pension, health care and associated services. Accordingly, in response, the Commonwealth Government has invested in research and policy changes to ensure that pressure is elevated to a degree given "the ageing of the population profile has implication for future outlays on health expenditure, both public and private, as well as for publicly subsidised housing and for aged care" (DOHA, 1999, 16). A prime example of this is the introduction of compulsory superannuation, which will reduce the amount of pressure on funding the Aged Pension, especially with a projected increase in numbers of people over 65 years in the next few decades. While this shift occurred to alleviate projected increases in Aged Pension expenditure, the degree at which superannuation will be the primary funding for the majority of retirees is questionable. Given compulsory superannuation has only been introduced in the last decade, for many, private savings for retirement may not be sufficient to fund their lifestyles, which will inevitably ensure reliance on the pension and may not represent the majority of the ageing population. While it is also perceived that Baby Boomers are more affluent and asset rich, there will be a minority which will not be. Given the changing nature of family structure and workforce participation by women in the past few decades, women will be among this minority.

This will impact on women's ability to fund retirement through the use of assets and private savings, and accordingly, access to affordable accommodation will be an issue. Furthermore, there are government initiatives such as the Pension Benefit Scheme, which provides lump sum incentives to remain actively employed in the workforce, past traditional retirement age.

Commonwealth research into the ageing population has resulted in various recommendations for the future, in both a social and economic sense. The *National Strategy for an Ageing Australia* provides a broad framework through a set of principles, goals and actions to guide various government bodies, business and stakeholder groups in the community. This is important for the Commonwealth Government to fulfil the role and guide policy implementation, yet recognises that the ageing population will have to be acknowledged socially, economically and environmentally through all sectors. Nevertheless, "the development of aged care policies in Australia remains a product of political decision making and reflects the economic and social priorities as well as the conflicting interests that the process of government manifests" (Fine 1999, 273). To an extent the primary function of the *Intergenerational Report* was to assess the fiscal implications of an ageing population in Australia. This economic perspective is something which is inherently focused upon in society, specifically in terms of expenditure and economic contribution. This perhaps creates negative opinions and perceptions of ageing in society as generations following the Baby Boomers may feel under pressure to provide for a larger cohort of ageing population than ever.

Furthermore, the introduction of the *Aged Care Act, 1997* has facilitated a framework which shapes the future of aged care in Australia. This legislative framework, as assessed in the review conducted by Professor Gray reveals significant improvements in the way in which aged care housing is provided. This is a positive step to initiate change in the industry and will continue to establish a framework for future aged care with the onset of an ageing population in Australia. Accordingly, the Commonwealth Government is well aware that the demand for aged care services is set to rise in the future, based on demographic and economic factors, which will inevitably put pressure on the access to services. In response, a vast amount of research and strategy documentation has been produced to discuss, review and analyse the existing environmental, economical and social implications of an ageing population.

4.1 INTRODUCTION

Chapter 4 provides an overview of State policy over the last two decades in the provision of aged care. In particular, this chapter will examine State Environmental Planning Policy (SEPP) Seniors Living 2004 relating to the provision of aged care accommodation in New South Wales. SEPP Seniors Living 2004 will also be analysed for its effectiveness in the provision of appropriate, affordable and available accommodation for Seniors in New South Wales.

4.2 BACKGROUND

The State Government undertook a number of investigations during the late 1970s and early 1980s into the housing for the aged and disabled at a time when there was growing concern about suitable accommodation for seniors and people with a disability. In response to a growing awareness of an ageing population in Australia and in New South Wales, the State Government introduced legislation to facilitate suitable accommodation for older people. This was undertaken by the implementation of a State Environmental Planning Policy (SEPP).

A State Environmental Planning Policy (SEPP) is a policy guidelines which provides provisions for development of state significance. SEPP are established by the Minister for Planning when there is concern over matters of significance at a state level and provide a broad framework for development. Essentially “what SEPPs have done in practice, is to amend the details of existing Local Environmental Plans (LEP), usually by removing development from prohibited zoning categories or imposing consent requirements which do not exist under LEPS” (Farrier 1999, 100). The implementation of a specialised SEPP for aged care accommodation was initiated in response to the overall negative response to the provision of housing for older people in the community. Accordingly, SEPP No.5 – Housing for Aged or Disabled People was “designed to overcome the reluctance of Councils to provide in their local plans for certain types of specialised residential developments in residential areas” (Farrier 1999, 105). This is generally performed by the SEPP through the amendment of all Environmental Planning Instruments (EPIs) and LEPS to permit development for the purpose of aged care accommodation in urban areas or land adjoining urban areas with consent. This has been performed by amended versions of SEPP No.5 and more recently, SEPP Seniors Living 2004. These policies will now be discussed in further detail.

4.3 SEPP No.5

State Environmental Planning Policy (SEPP) No.5 – Housing for the Aged and Disabled People (SEPP 5) was gazetted on February 1982 and was repealed on 2 January 1998. SEPP 5 was introduced to increase the diversity and availability of suitable accommodation for people aged 55 years and over, as well as for people of all ages with a disability. Surrounded by opposition and criticism at a local level, SEPP 5 provided a legislative framework for the provision of accommodation through development standards to control purpose built aged care accommodation. The first version of the policy had three aims; firstly, to enable development for the purpose of housing for aged or disabled persons throughout the NSW, to increase availability of that type of accommodation, and to provide a wider choice of residential accommodation; secondly, to establish development standards; and, finally, to ensure that applicants and councils take into consideration the availability of support services for aged and disabled persons.

The second version of SEPP 5 known as State Environmental Planning Policy (SEPP) No.5 – Housing for Older People or People with a Disability was gazetted on 2 January 1998, commencing on 14 February 1998 and was repealed on 31 March 2004. This version of the SEPP built upon the earlier version, however, permitted infill self care development with less emphasis on support services, residential care facilities and village style developments (DIPNR 2004). This policy sought to “improve infill housing design standards, set location standards, require all dwellings to be adaptable and clearly omitted the need for support services for infill development” (DIPNR 2004, 6).

In early 2000, SEPP 5 underwent a review, *Options for change discussion paper* by the Department of Planning (then known as Department of Urban Affairs and Planning - DUAP). A number of concerns were raised about the existing policy, including that SEPP 5 was being used as a ‘back door’ to medium density developments; was inappropriate to context; required specific guidance on location; impacted on communities and created inappropriate development. Furthermore, SEPP 5 was considered to be inappropriate in the provision of aged care housing.

This view was seen by the State Government, Council and the community, in which SEPP 5 was being used inappropriately to develop medium density development or means of economic gains under the pretence of aged care accommodation. In response to the *Options for Change Discussion Paper* (DUAP, 2000), the Local Government and Shires Associations of NSW presented a number of issues relating to the impact of SEPP 5 at a local level. This response presented the cumulative concerns of Local Government in NSW, particularly relating to the impact of additional aged care on existing community services, development on rural/non urban land and limitations on levying Section 94 contributions.

In February 2004, a *Review of Housing Strategy for Older People and People with a Disability, including changes to SEPP 5* report was produced by the Department of Infrastructure, Planning and Natural Resources (DIPNR) to the Minister, the Hon. Craig Knowles MP. This report addressed a number of contentious issues associated with SEPP 5 and discusses the findings and recommendations for replacement with an improved Seniors Living SEPP. The findings of this review revealed that:

- there would be an increased need for aged care accommodation in the next 15 years to suit an older population;
- there is a community concern that aged housing is used as an excuse for poorly designed or located homes and a better means of occupancy restrictions should be available;
- there will be a greater need for residential care facilities;
- there are changes in the delivery of care and support; and,
- Local Government appreciates the opportunity to apply for exemptions.

This report presented the results of the review based on stakeholder consultation, department review of the policy and made the following recommendations (2004, 2):

“The review, in recognising this housing need and acknowledging community concerns, recommends the introducing new regulatory measures to:

1. Improve compliance with and enforcement of occupancy restrictions by:
 - Clearer drafting of the restrictions;
 - Prescribing conditions requiring the use of covenants and requiring that all advertising of the development should include the occupancy restrictions;
 - Requiring planning certificates note the occupancy restrictions; and,
 - Exploring possible new links to lease conditions and body corporate functions.

2. Achieve better design so that developments better fit into neighbourhoods by revising the design principles and making them significant matters to be taken into consideration. As well, *Design Guidelines for Seniors Living* should be prepared...for use by design panels by Councils to assess applications is recommended to be encouraged”

Accordingly, SEPP 5 was repealed and replaced by SEPP Seniors Living 2004. On 18 February 2004 the Department of Planning announced that SEPP 5 was to be replaced by a new strategy, focusing on balancing the growing demand for accommodation with maintaining the character and feel of local neighbourhoods. Surrounded by a whelm of contentious uses, SEPP 5 was renowned for inappropriate forms of development, which in some cases, was used as a developer loop hole.

4.4 SEPP SENIORS LIVING 2004

State Environmental Planning Policy (Seniors Living) 2004, hereafter referred to as SEPP Seniors Living 2004, was gazetted on 31 March 2004. This policy applies to land within New South Wales, on land zoned for, or adjoining urban lands where development for the purpose of dwellings, residential flat buildings, hospitals or special uses are permitted.

SEPP Seniors Living 2004 differs from the previous SEPP 5 policy in the respect that it provides for all three levels of care; self contained, assisted care and nursing care, which allows a diversity of housing choice. In addition, SEPP Seniors Living 2004 is the result of years of refinement in terms of policy formulation, since the introduction of its predecessor SEPP 5 in 1982. The key changes in the SEPP Seniors Living 2004 have been:

- Improved enforcement of occupancy rates;
- Greater incentives to provide residential aged care facilities;
- Clearly segmented range of housing under separate controls;
- Greater opportunities for infill development; and,
- Stricter design guidelines.

Policy Aims

These changes were based on a number of Council, stakeholder and community submissions during the review process, with the new SEPP Seniors Living 2004 designed to address the inconsistencies and anomalies contained within the previous SEPP 5 legislation. Similarly, the aims contained in Clause 2 of SEPP Seniors Living 2004 policy state, inter alia:

“This policy aims to encourage the provision of housing (including residential care facilities) that will:

- (a) increase the supply and diversity of residences that meet the needs of seniors or people with a disability; and,
- (b) make efficient use of existing infrastructure and services; and,
- (c) be of good design”.

Supply and Diversity of Residences

The way in which SEPP Seniors Living 2004 achieves these aims will now be discussed in detail. Firstly aim (a) of SEPP Seniors Living 2004 seeks to ‘increase the supply and diversity of residences that meet the needs of seniors’. As indicated, the policy is a State Environmental Planning Policy (SEPP) which was originally implemented as SEPP 5 to encourage development for the purpose of people over the age of 55 years, or people with a disability.

While surrounded with a degree of controversy, the SEPP provided a legislative framework for aged care development in New South Wales. Accordingly, over the last two decades, various amendments and versions of the SEPP have been prepared in response to a growing awareness and evolution of the policy. During this time, while the application of this SEPP is generally overstated, “less than 10% of seniors in NSW live in age restricted communities – perhaps 3% in retirement villages, less than 1% in independent infill housing, about 6% of people aged 70 and over in residential aged care facilities” (DIPNR 2004, 4). Accordingly, while only a small proportion of the population at present, this demand is likely to increase as the Baby Boomers enter retirement and progressively age, requiring additional levels of aged care accommodation. In addition, SEPP Seniors Living 2004 provides for the development of a diversity of forms of accommodation. This is evident through the types of development permitted under the policy, which include the following:

- **Residential Care Facilities** is residential accommodation that includes meals and cleaning services, and, personal care or nursing care, or both, and, appropriate staffing, furniture, furnishings and equipment for the provision of that accommodation and care (Clause 11);
- **Hostel** is residential accommodation where meals, laundering, cleaning and other facilities are provided on a shared basis, and, at least one staff member is available on-site 24 hours a day to provide management (Clause 12);
- **Self-contained dwellings** is part of a building where private facilities for cooking, sleeping and washing are provided or part of a building, but where clothes washing facilities or other facilities to be uses in connection to the dwelling or building are on a shared basis (Clause 13);
- **In-fill self-care housing** applies to land zoned primarily for urban purposes that comprises two or more self contained dwellings where no meals, cleaning, personal or nursing care is provided on site as part of the development (Clause 14); and,
- **Serviced self care housing** comprises self-contained dwellings where on-site meals, cleaning, personal or nursing care services are provided on-site (Clause 15).

Accordingly, the above mentioned forms of housing permitted under SEPP Seniors provides for a diversity of housing needs. Each form of development contains separate sections with specific controls with the SEPP. However, in my opinion, it is questionable the extent to which a variety of these housing types are provided within a community. This will be further discussed in the next section of this chapter.

Use of existing infrastructure and services

Secondly, part 1(b) of the aims the policy is to encourage 'efficient use of existing infrastructure and services'. This aim generally acknowledges the need for reasonable access to facilities and transport within the locality. In the policy, Clause 25 relates to the location and access to facilities, providing access to shops, banks, retail and commercial services, community and recreational facilities and medical practitioners within 400 metres of the proposed aged care development. This provision ensures that there is adequate access to services within walking distance from the aged care development.

Furthermore, there should be access to public transport within 400 metres of the site, which must be available at least once between 8am and 12pm and once between 12pm and 6pm daily from Monday to Friday if located within the metropolitan area or available at least once per day during daylight hours Monday to Friday for non-metropolitan areas. In addition, in light of the State Government's *Metropolitan Strategy - Housing Strategy for Sydney*, urban consolidation around transportation nodes is a key priority as "The Housing Strategy concentrates development to strengthen centres, towns, villages and neighbourhoods focused around public transport" (DOP 2005, 119). In addition, "by locating new housing near shops, services and transport, the possibility of walking, cycling or using public transport is a viable option for residents" (DOP 2005, 130). Accordingly, controls to locate aged care developments within the vicinity of transport are an important consideration in making efficient use of infrastructure and services.

Good Design

Finally, part 1(c) of the aims of the policy relates to the provision of housing 'of good design'. While there is no definition for good design, the Policy mentions the design of infill self care housing in Clause 26 and makes reference to the provisions of *Seniors Living Policy: Urban Design Guidelines for Infill Development* (UDAS 2004). These guidelines assist in both the preparation and design or assessment of developments in regards to the design principles contained in Clauses 31 to 37 and 78, as well as infill development in Clause 29. Through a combination of the SEPP Seniors Living 2004 development standards and information contained within the Urban Design Guidelines, it is hoped that "a balance between the need for greater housing choice and the need to safeguard the character of residential neighbourhoods is achieved" (UDAS 2004, 2). These guidelines address five key issues, including improving neighbourhood fit, site planning, design and internal site amenity and reducing impacts on streetscape and neighbouring properties. In addition, this version of the SEPP is considered to have more designed based controls contained within it, which responds to earlier concerns by Council and the community that the policy was being used to develop poorly designed homes.

Accordingly, SEPP Seniors Living 2004 is a relatively positive response to development for the purpose of aged accommodation. This legislation provides a framework for the development of housing, however, the extent to which it increases the supply and diversity is somewhat questionable. Driven by market forces, the provision of housing is very much left to the developer, in my opinion, especially in the type and variety of aged housing provided under the SEPP, with little provision to specify diversity. This will be further discussed in Section 4.5. However, the extent to which the policy ensures development is ideally located, is, in my opinion, an important mechanism in ensuring aged accommodation is not isolated in remote and un-serviced areas, rather, located near lively centres. This is both beneficial to the occupants, as well as the community, who benefit from the social interaction with different generations. Finally, the implementation of design standards and guidelines to assist the preparation of development design and assessment will provide a framework to ensuring greater consistency of development within the context of the neighbourhood, as well as improving design and amenity, while reducing any potential negative impacts.

Achieving Policy Aims

SEPP Seniors Living 2004 proposes to achieve the previously discussed aims through the following, as stated in Clause 2(2), by:

- (a) setting aside local planning controls that would prevent the development of housing for seniors...that meets the development criteria and standards specified in this Policy;
- (b) setting out design principles that should be followed to achieve built form that responds to the characteristics of its site and form; and,
- (c) ensuring applicants provide support services for seniors...for developments on land adjoining land zoned primarily for urban purposes.

As stated in part (a), SEPP Seniors Living 2004 enables local planning controls to be overridden, whether they are statutory, such as permissible uses contained within a zone in the Local Environmental Plan (LEP). These statutory controls within a LEP can be varied, if the proposal is identified in Clause 4 of the SEPP as being on urban land or adjoining land zoned for urban uses or land which permits development for the purpose of dwellings, residential flat buildings, hospitals or special uses. According to Haidari, "SEPP 5 is not considered to be an appropriate method to facilitate housing for the aged because it overrides local zoning and controls and facilitates a form, density and scale of development that may otherwise not be permitted on the land" (2004, 79). While it was considered to be a problem under SEPP 5, SEPP Seniors Living 2004 has improved development standards to ensure a greater degree of control over built form. These design requirements and controls are further specified depending on the type of development provided to ensure consistency with development within proximity of the proposed aged care facility.

Part (b) of this clause notes design principles that should be followed in achieving appropriate forms of development suitable for the character of the locality. This policy establishes a number of design requirements and principles in Division 1 (Clause 28) and Division 2 (Clauses 31 to 37), relating to the need for a site analysis and response to the neighbourhood amenity and streetscape, visual and acoustic privacy, solar access and design for climate; storm water; crime prevention; accessibility and waste management.

This is also considered in Clause 38 by way of development standards for minimum sizes and heights. Specifically, Clause 38(4) relates to height in zones where residential flat buildings are not permitted, typically Residential 2(a) – Low density development zones. This specific clause provides development standards to ensure a maximum height of 8m and not be more than 2 storeys in height, stepping down to 1 storey in the rear 25% of the site area. The purpose of this clause is to ensure that development does not impact the streetscape scale, given the low density nature of development, in a zone which ordinarily prohibits residential flat buildings. In addition, specific design controls relating to specific types of aged care development concerning access and useability (Clause 39 to 72).

Finally, part (c) aims to ensure residents of aged care accommodation have adequate access to facilities and services, particularly land adjoining urban zones. Clause 76 relates to the availability of facilities and services for development located on non-residentially zoned land, stating that development must provide facilities and services to residents of the proposal. This aim is particularly relevant in the context of Amendment No.1 to SEPP Seniors Living, which occurred on 16 December 2005, relating to restricting various forms of seniors housing permitted on land adjoining urban areas. Implemented as a means of restricting development applications for serviced self care housing, this amendment was introduced as a means of further assessing the “supply and location of seniors housing in rural areas and the potential impacts on existing settlements and other rural uses” (DOP, 23 December 2005, Planning Circular PS 05-014).

The implementation of this Amendment resulted in the removal of Clauses 74 and 75 relating to development on land adjoining land zoned primarily for urban purposes, as well as the removal of assisted self care development from Clause 19 as a permissible form of development on non urban lands. Notwithstanding this, hostels and residential care facilities remain permissible. This is due to the provision of services available and the level of care provided in these forms of aged care development.

Noted as being a contentious issue prior to the implementation of SEPP Seniors Living 2004, development on non-urban lands has been identified as inappropriate for a number of reasons. Firstly, aged care accommodation built on the rural urban fringe is generally inappropriately located, leaving residents isolated. Secondly, forms of development are inappropriate in the context of a relatively low density rural setting and associated impacts on prime agricultural lands. Finally, there is increased pressure on existing infrastructure and services or a lack of support services and facilities to deal with the needs of the community and new residents.

Accordingly, while it is considered that there is a need for such a mechanism in the provision of aged care, the setting aside of local planning controls is somewhat disregarding strategic planning at a local level, in my opinion. While, in some cases, it has been known that Council's have opposed the development of aged accommodation, there is an obvious amount of pressure to provide adequate accommodation to meet the changing needs of the Baby Boomer cohort, quickly approaching retirement age. Nevertheless, the SEPP Seniors Living 2004 policy has provided a range of controls to ensure design is addressed in the development phase, to provide responsive built form which is in the context of the surrounding neighbourhood. Finally, it is considered that the policy more adequately deals with development on non urban lands, with Amendment No.1 to SEPP Seniors Living 2004 as a response to prevent further development occurring on the rural-urban fringe, until all impacts have been further assessed by the Department of Planning.

4.5 APPLICATION OF SEPP SENIORS LIVING POLICY

This section will discuss the application of SEPP Seniors Living 2004 at a local level and whether it provides adequate aged accommodation in terms of affordability, appropriateness and availability. This assessment will be based on the AHURI (1995) Adequate Housing Model which recognises that housing need is 'multi-dimensional, comprising of at least three essential components: appropriateness, affordability and availability'. Firstly, as previously mentioned, given the resistance by some local government areas to provide aged care housing in their localities, the state based policy legislative framework highlights the importance of the provision of housing for seniors at a State level.

At the implementation stage of the policy, “councils are responsible for assessing SEPP Seniors Living development applications. They remain the consent authority of SEPP Seniors Living 2004 developments” (DIPNR 2004, 20). SEPP Seniors Living 2004 also contains Part 7 of the policy, referring to development standards that cannot be used as grounds to refuse consent for the various forms of development permitted under the SEPP. Contained in Clauses 79 to 81, the standards (for residential care facilities, hostels and self contained dwellings, respectively), generally relate to maximum building height, density and scale, landscaped area and parking requirements. However, it should also be noted that “the provisions of this clause do not impose any limitations on the grounds on which a consent authority may grant development consent” (DIPNR 2004). Accordingly, the responsibility for the provision of housing is placed with Council, in the application of SEPP Seniors Living 2004 within their LGA.

Affordability

Firstly, *affordability* refers to the ability of a household to afford accommodation. SEPP Seniors Living 2004 provides developer incentives to provide *affordable* aged accommodation through a number of mechanisms within the legislation. To ensure developers provide aged accommodation, SEPP Seniors Living 2004 provides Clause 77 – Vertical Villages as well as various other provisions specifically for applications by certain housing providers, such as the Department of Housing. Firstly, Clause 77 applies to land zoned primarily for residential or commercial purposes, with a permitted density of 1:1 or more (as a floor space ratio) in an Environmental Planning Instrument (EPI) such as a LEP. Development which provides on-site support services and dedicates 10% of dwellings within the proposed development for affordable accommodation is permitted an additional 0.5:1, allowing a maximum permissible FSR 1.5:1 for vertical villages. As defined in Clause 77(7), an affordable place and on-site services are:

“**affordable place**, in relation to seniors housing, means a dwelling for the accommodation of a resident:

(a) whose gross household income falls within the following ranges of percentages of the median household income for the time being for the Sydney Statistical Division according to the Australian Bureau of Statistics:

Very low income household	less than 50%
Low income household	50 or more but less than 80%
Moderate income household	80–120%

(b) who is to pay rent that does not exceed a benchmark of 30% of the resident's actual household income.

on-site support services, in relation to residents of seniors housing, means:

- (a) 3 meals a day provided on a communal basis or to a resident's dwelling, and
- (b) personal care, and
- (c) home nursing visits, and
- (d) assistance with housework.

In providing the above mentioned affordable places and on-site support services, a developer is permitted to provide an additional 50% of floor space, other than what is permissible on site. This is not only an incentive for developers, who gain from additional floor space, but enables community outcomes in the provision of affordable housing. Clause 77 also ensures that the allocated affordable places within a development are provided through the creation of restrictive covenants and conditions of consent. Furthermore, the dedicated affordable units for each development are to be owned and managed by a community housing organisation, to ensure that they remain affordable housing stock.

SEPP Seniors Living 2004 also provides incentives for housing providers to develop aged accommodation through exemptions. Firstly, for a development application lodged by the Department of Housing, a local government or community housing provider, exemptions from development standards contained in Clause 38 are permitted. Accordingly, the standards relating to minimum site area, site frontage and height in the rear portion of the site do not apply to these organisations. In addition, Clause 73 of the policy relates to applications by certain housing providers. Within this clause, the Department of Housing and local government or community housing providers do not have to comply with the requirements of Clauses 52 and 59 to 71, in regards to self contained dwellings.

This clause allows these organisations to disregard standards concerning access and usability for all dwellings located above ground level in order to make aged care development viable and an attractive form of development for these providers. Finally, exemptions also apply to Clause 81 regarding standards that cannot be used to refuse development of self contained dwellings. Within this clause, there are lenient variations of controls relating to minimum landscaped areas and parking requirements. Accordingly, SEPP Seniors Living 2004 provides a number of mechanisms to provide incentives for developers and Department of Housing, community or local government housing providers. This is performed through Clause 77 relating to vertical villages with additional floor space bonuses provided in return for affordable places and on-site services, as well as various exemptions from development standards and controls relating to self contained dwellings.

Appropriate

Secondly, *appropriateness* relates to the availability of housing that is of an acceptable standard, design and location according to the Adequate Housing Model (AHURI 1995). SEPP Seniors Living 2004 provides provisions for a range of forms of aged accommodation. This policy appropriates 'seniors housing' which is defined in Clause 10 as:

In this Policy, **seniors housing** is residential accommodation that is, or is intended to be, used permanently for seniors or people with a disability consisting of:

- (a) a residential care facility, or
- (b) a hostel, or
- (c) a group of self-contained dwellings, or
- (d) a combination of these,

but does not include a hospital.

It is also noted that the concept of 'seniors housing' is meant to encompass both housing for people over the age of 55 years as well as people with a disability, with accommodation under this policy used for seniors or people with a disability; people who live within the same household as a senior or person with a disability or staff employed to assist in the provision of services.

Essentially, the SEPP “aims to ensure that there is an improved supply of suitable housing that would allow people to ‘age in place’ within their familiar neighbourhoods, close to friends and/or family, but supported by access to care services” (DIPNR 2004, 5). Accordingly, the provision of housing to facilitate ageing in place is essential, especially at “the beginning of a large and long lasting change in the age structure of the population” (DIPNR 2004, 5). Accordingly, as the population progressively ages, as it is projected, there will be an increased demand for appropriate forms of housing, which allows occupants to remain in situ, accommodating their various care requirements.

In light of Government initiatives for ageing in place and healthy ageing, it is hoped that the demands for housing are more centred around self care, even when care is required, as opposed to institutional forms of care. This has also evolved through Commonwealth Government reforms, which have shifted funding towards ageing in place and delivery of care to the person, as opposed to the place. SEPP Seniors Living 2004 facilitates the provision of various levels of care. While the majority of people over the age of 55 years remain in detached dwellings, typically their family homes, there is a desire to downsize. However, most family homes do not support increasing physical frailties, requiring major renovations to enable a barrier free environment in which the occupants can age in place. The need for adaptable housing which allows people to remain in-situ is a theory which is highlighted by Alcock (2005) and Langdon (2003). Both authors illustrate the lack of available options for the ageing population to consider and lifestyle housing, allowing residents to remain within a community through a lifetime. This view is supported by Spanbroek stating, “in Australia, demand will increase for appropriately designed, affordable housing as a result of property prices, shortage of metropolitan land and the lack of appropriately designed and accessible housing” (2005, 70).

Accordingly, “if all new housing stock is built to suit any age group, and most levels of physical ability, fewer people will need to move or make expensive alterations to their housing or make do without the aids that would truly allow them to stay/age in place, if their level of physical ability diminishes” (DIPNR 2004, 7). This type of adaptable housing is promoted through Clauses 39 to 72 regarding standards for access and useability.

These clauses address controls for hostels and self contained dwelling developments within the SEPP Seniors Living 2004 policy, with the exception of standards for Residential Care Facilities. Given that Residential Care facilities provide the highest level of care, particular standards under the Commonwealth Aged Care Accreditation Standards and the Building Code of Australia need to be considered. These provisions relate to various standards including access for wheelchairs, security, parking, access, as well as specifications for the dwelling in light of Australian Standards for Access and Mobility (AS 1428) and Australian Standards for Adaptable Housing (AS 4299).

The importance of adaptable housing is one which is gaining considerable recognition in the housing market. This is because various features can be implemented during the construction phase, allowing future adaptation to occur without excessive cost. It is estimated that to build an adaptable dwelling there is a considerable difference in cost, from an additional 0.5 to 1% at the time of construction, opposed to between \$15,000 to \$40,000 to retrofit an existing dwelling (DIPNR 2004, 7). Accordingly, the implementation of various design controls to include elements of adaptable housing at the time of construction is not only an effective means of providing housing which meets the needs of occupants from self care to potentially low level assistance, but ensures that it is provided by developers. Furthermore, “while changes to new housing stock would provide wider choice in the future, the imminent growth in numbers of people aged 55 years and over requires immediate action to broaden choice” (DIPNR 2004, 8).

In addition, the provision of infill development in SEPP Seniors Living 2004 is aimed at appropriating low density villa and townhouse forms of development, suitable for healthy active seniors who downsize from the family home. These forms of development are located within existing communities and enable access to services and facilities. Furthermore, the provisions of various levels of care within one facility are also seen to be beneficial. This is through the provision of the ‘three levels of care’ from the “third stage of life, starting from 55 years and can span thirty years or more of largely healthy living” (DIPNR 2004, 3) to more dependant forms of care, requiring assistance at a high level. This is generally known as the model of the ‘ideal village’ offering self care, assisted care and nursing care (DIPNR 2004, 13).

While historically the Boomers are a more active generation, inappropriateness of housing stock will be a contributing factor to further demands for accommodation, especially in later life, as “already there is a demand for these features, as baby boomers look for living options that suit their lifestyles and older people demand better facilities” (Lynch, 2005, 22). With Commonwealth policy aimed at keeping residents in their homes, housing needs to be adaptable to suit the changing needs of residents as they age at a state level. However, there is no means of requiring that all levels of care are provided within SEPP Seniors Living 2004; rather it is determined by the developer. This policy does not specify a required mixture of forms of aged accommodation to be provided within a development.

This is of key importance with an increasingly ageing population in Australia. Given the projected numbers of people aged 85 years and older in the next few decades, it will be absolutely essential that the needs of all members of the ageing population are considered; from the healthy active seniors, to the frail aged requiring various levels of nursing care or assistance. Accordingly, this is something which needs to be considered as a mechanism within SEPP Seniors Living 2004, to ensure a greater variety of appropriate housing is provided.

Availability

Finally, *availability* relates to the sufficient supply of accommodation with close proximity to facilities, services and social networks. SEPP Seniors Living 2004 provides the legislative framework to increase seniors living accommodation in New South Wales. The policy permits development for the purpose of Seniors Living in urban zones by overriding local planning controls and encourages supply. As mentioned, this policy allows development for the purpose of self care, infill, hostel and residential care dwellings. Nevertheless, a number of LGAs have exemptions from SEPP Seniors Living 2004, including Ashfield, Blue Mountains, Hurstville, Kogarah, North Sydney and Sutherland Councils. Exemptions are granted to Councils when amendments to their LEPs enable housing for seniors to be provided, as in SEPP Seniors Living 2004. Further, the Minister of Planning must be satisfied that the LEP will sufficiently provide opportunities for continued development for the purposes of seniors living.

Contained as Schedule 3 of SEPP Seniors Living 2004, the exempt Councils may only carry out development by or on behalf of the Director General of the Department of Housing or a local government or community housing providers. In addition, further exemptions apply to the following Councils:

- Sutherland - allowing development on land in the Zone No.5(a);
- Blue Mountains – allowing development for purposes of a residential care facility, hostel, self contained development or land in accessible housing areas under the draft Blue Mountains LEP 2002; and,
- Hurstville and Strathfield – allowing development for purposes of a residential care facility.

The local based exceptions perhaps shifted the responsibility from a state level to a local level. Both a State Environmental Planning Policy and Local Environmental Plans are statutory documents, requiring compliance with development standards. The responsibility in the provision of housing will be further discussed in Chapter 4.

However, with an ever increasing ageing population in New South Wales, there will be a greater demand for housing proportionally. Every LGA will encounter varying degrees of ageing populations depending on demographics and existing appropriate housing options. This is perhaps an area which SEPP Seniors Living 2004 does not cover in the policy framework. Specifications on the numerical requirements of local government areas (LGA) against population projections are not assessed or considered when making an application under SEPP Seniors Living 2004. This is something which LGAs must consider in the provision of housing for seniors, especially in the future.

However, as SEPP Seniors Living 2004 does not specify the type or mixture of development to be provided, there are no binding statutory guidelines for Council's to assess development. Accordingly, SEPP Seniors Living 2004 does not effectively assure the availability of housing through the policy. The provision of housing is driven by market forces, rather than legislation.

In addition, it should be also noted that “at the local level, Councils require the tools to not only adequately access the community’s capacity to cater for future SEPP 5 [now SEPP Seniors Living] developments, but, having undertaken significant research and analysis, also the powers to restrict development according to local capacity” (LGSA, 2000, 5). Accordingly, while SEPP Seniors Living 2004 facilitates the development of senior’s accommodation with an emphasis on locating it within proximity to services and facilities, the policy does not control supply or diversity.

4.6 CONCLUSION

The purpose of this chapter was to provide an overview of the legislative framework governing the provision of aged care accommodation in New South Wales. A brief overview of the early versions of State Environmental Planning Policy (SEPP) No.5 is provided, outlining the initial concerns and controversy surrounding this policy and the struggle to balance the need for the provision of housing for people over the age of 55 years old and developer responses.

After successive reviews and amendments, SEPP No.5 was repealed and replaced with a more responsive and evolved policy. SEPP Seniors Living 2004 goes a long way in correcting the anomalies of the SEPP 5 legislation and has addressed concerns relating to design matters, occupancy restrictions and differentiating the types of development through specific controls. However, as realised with Amendment No.1 of SEPP Seniors Living 2004, there are still particular concerns relating to the application of the policy.

A critical analysis of the application of SEPP Seniors Living 2004 in the provision of adequate housing stock was undertaken in this chapter. Based on the AHURI Adequate Housing Model, assessment was examined in regards to affordability, appropriateness and availability. While the policy provides an effective means of encouraging the provision of affordable housing through developer incentives, it is seen that there are potential gaps within the existing legislation, especially in providing available and appropriate development through policy. In addition, this policy is currently being reviewed by the SEPP Seniors Living 2004 Working Party on behalf of the Minister for Planning. This will be further examined in the following Chapter as well as proposing a number of recommendations for further consideration.

5.1 INTRODUCTION

Chapter 5 will explore accountability and responsibility in the provision of aged accommodation in New South Wales. A brief examination of the provision of new housing at a local level provided, as well as future directions in aged accommodation planning. In addition, suggestions will be made as to who is ultimately responsible for ensuring there is adequate aged care accommodation in communities. A number of recommendations will also be made in light of Federal, State and Local based planning approached.

5.2 IMPLEMENTATION AT THE LOCAL LEVEL

As discussed previously in Chapter 4, development for the purpose of aged accommodation is facilitated by the provisions of State Environmental Planning Policy (SEPP) Seniors Living 2004. There are, however, a number of Councils who are exempt from this policy; they enable development for the purpose of aged accommodation through their respective Local Environmental Plan (LEP), also a statutory document. As mentioned, Local Councils are the consent authority to all development applications lodged under the provisions of SEPP Seniors Living 2004. All assessment undertaken must consider whether “the development has the mandatory services and facilities set by clauses 74-76; development standards which, if met, cannot be used as grounds for refusal in clauses 78-81; and matters listed in section 79C of the *Environmental Planning and Assessment Act, 1979*” (DIPNR 2004, 20). However, a number of other considerations are needed at this level of government.

Potential for change in responsibilities

Since the announcement of Amendment No.1 to SEPP Seniors Living 2004 on 16 December 2005 by the Minister for Planning Frank Sartor, there has been a ‘Working Party Review’ undertaken of the existing aged care legislation. The Working Party comprises a number of representatives from the Department of Planning (DOP); Premiers Department; Cabinet Office; Department of Ageing Disability and Home Care (DADHC); Department of Housing (DOH); Department of Health and Ageing (DOHA) and various associations and industry representatives.

The purpose of the Working Party is to currently review SEPP Seniors Living 2004, as well as provide advice, making recommendations on adopting a particular mechanism or range of mechanisms within the planning system, and on how these mechanisms can be used to encourage the provision of housing that will:

- Increase supply and diversity;
- Ensure LEPs provide for an adequate amount of appropriate housing;
- Ensure housing developed for seniors will remain available to this group;
- Ensure development is built for and solely occupied by seniors.

As acknowledged in the assessment of SEPP Seniors Living 2004 in Chapter 4, the existing policy generally meets the above mentioned aims in the provision of housing. There is however, room for improvement in terms of providing a diversity of housing, where legislation does not stipulate the level of care types to be provided in a development, nor is it responsive to localities. There is increasing evidence to suggest that this responsibility will shift towards a local level responsibility, through the provision of aged accommodation under LEPs. This will be undertaken in the review process of LEPs in the Standard Template being prepared by local Councils, to include the provision of seniors housing in a number of zones, including the R1; R3 and B4 mixed use zones. In addition, the Working Party is to be guided by:

- Ensuring that the new mechanisms adopted apply to the whole of the state and are consistent with state strategies and objectives of the Metropolitan Strategy;
- Provision of housing choice through opportunities for development of a range of housing types, including affordable housing, self care, hostel and residential care;
- Ensure that housing meets accessibility and adaptability standards;
- Ensure state agencies are able to achieve objectives through mechanisms adopted for the provision of housing for seniors; and,
- Appropriateness of locations of housing and impacts on localities.

At the time of lodgement of this thesis, the recommendations and outcomes of the Working Party review had not been released, nor were likely to be available to the public.

Furthermore, driven by the desire to meet the objectives of the New South Wales Government *Metropolitan Strategy*, Section C2.2 of the Housing Strategy relates to the provisions of seniors housing. This section contains three objectives: the first being to ‘ensure LEPs provide for appropriately located and adequate amount of housing for seniors and people with a disability’; the second ‘to replace SEPP Seniors Living in 2006 with a range of mechanisms within the planning system’; and thirdly ‘investigate measures to ensure housing developed for seniors and people with a disability remains available to these groups’ (DOP 2005, 141-142). While the Metropolitan Strategy does not specify the type of mechanism in which be used to replace SEPP Seniors Living 2004 to facilitate the development of seniors living, it is implied that this responsibility will lie with local government. This will be facilitated through LEPs which will need to address a number of issues, in co-operation with the Department of Planning to provide the adequate amount of housing as the population begins to age.

Local Level Strategies

Like many other sectors, local government has undertaken various studies and research into the implication of an ageing population at a local level. This includes the *Ageing Action Plan 2004-2008* by the Australian Local Government Association (ALGA) and the *Planning the Local Government response to the ageing in place* by Local Government and Shires Association of NSW (LGSA). On 27 July 2004, the Australian Local Government Association (ALGA) released the *Australia Local Government Population Ageing Action Plan 2004-2008*, which provided a framework to build awareness, encourage action, foster partnerships and improves access to information (ALGA 2004, 1). This document compliments the *National Strategy for an Ageing Australia* (DOHA 2001) by responding to the demographic change of an ageing population. In partnership with the Commonwealth Government, local government is able to respond to the impact of an ageing population through the following (ALGA 2004, 3):

- intimate knowledge of the local community and identification of the diversity of older people;
- provision of infrastructure and facilitation of developments which ensure the physical, healthy Ageing and economic environment of the local community is conducive to the overall wellbeing of older people;

- planning and provision of services and programs that are flexible and locally appropriate to the needs of older people;
- community participation in local decision-making and development of community networks; and,
- advocacy on behalf of the local community with other government and non-government organisations.

In order to achieve the principles of the Action Plan, ALGA acknowledges that various methods will need to be implemented. These include: commitment and shared responsibility; building local government strengths; adopting an integrated holistic approach; committing to an agreed accountability framework; consultant and inclusion. This is summarised in Table 2 below.

PRINCIPLE	OBJECTIVES
<i>Building awareness</i>	Education and awareness will provide the basis for continued responsiveness to population ageing. The objective of this action area is to <i>build the awareness of population ageing within local government.</i>
<i>Encouraging local government action</i>	Addressing population ageing issues is a complex task that involves understanding the linkages between a wide range of activities, organisations and interests. The objective of this action area is to <i>encourage local government action to plan for an ageing population</i>
<i>Fostering partnerships</i>	The actions of an individual council will only make a long term contribution if they are integrated with the work of other organisations and governments. The objective of this action area is to <i>identify and foster partnerships to support a more collaborative approach to population ageing.</i>
<i>Improving information access</i>	Access to research, information, data and innovative practice will be important in guiding local government's response to population ageing. The objective of this action area is to <i>improve access to regional information on population ageing and future demographic shifts,</i> thus creating a stronger evidence base to inform local government policy development.
<i>Monitoring and evaluation</i>	The implementation of this action plan is coordinated through the ALGA, which reports to the Australian Government as represented by the Office for an Ageing Australia.

(Source: Adapted from ALGA 2004, 3)

The basis for this approach by ALGA is to ensure Australian local government is prepared for the onset of an ageing population. At a state level, also in 2004, the Local Government and Shires Association of NSW (LGSA) released the report on *Planning the Local Government response to the ageing in place*. This document provided a framework to assist Councils in preparation for the effects of an ageing population at a local level. This report revealed that the population ageing will affect each of the states 152 local government areas in profoundly different ways (LGSA 2004). The purpose of this study was to reveal the extent to which Councils would be affected by population ageing, indicating how through strategic planning approaches they can minimise the impact on the demand for services and infrastructure.

The key elements examined in this research included the provision of information on:

- “the existing and likely diversity among older people’
- evidence on what population ageing means for all roles that Council performs;
- encouraging councils to examine their numbers and proportion of older people and their rate of population ageing, in conjunction with the evidence on impacts to identify what roles they may need to change and when” (LGSA 2004, 2).

In addition, *Planning the Local Government response to the ageing in place* recognised the statutory and regulatory functions of local government in providing policy direction to be inclusive and encourage adaptable, accessibility, affordable housing options within the community. Recent research conducted by Dr. Natalie Jackson, demographer, on behalf of the LGSA of NSW has provided a comprehensive basis of information on each LGA, providing age profiles for each of the states Council areas. This information can be used as the basis for assessing a LGAs ageing population.

By addressing the issue of ageing at a local government level, both ALGA and LGSA have effectively created a framework to minimise the potential impacts of population ageing. However, it is widely recognised that planning for an ageing population requires a holistic approach to ensure “a co-ordination of planning efforts both within and between governments to maximise available resources and expertise through partnerships and improve co-operation” (ALGA 2004, 10). This includes identifying appropriate local needs and preparing for them through strategic planning.

5.3 RESPONSIBILITY

Determining where the responsibility lies ultimately in the provision of seniors housing in New South Wales was one of the key research objectives of this thesis. Accordingly, the various roles of government will be discussed.

Role of Federal Government

The Australian Government has a number of initiatives and programs regarding ageing, fulfilling its role as the primary contributor to the health and welfare of seniors. The Commonwealth provides budgetary expenditure, which funds the Age Pension and residential services such as funding for aged care accommodation, assistance (RACP, CACP, EACH, HACC packages) and pharmaceutical benefits. In response to the ageing population, the Australian Government is committed to “enabling all older Australians to enjoy active, healthy and independent lives by encouraging positive approaches to ageing and by removing barriers to economic and social participation” (DOHA 2006, 2).

Through all levels of government, the Commonwealth has emphasised the importance of an ageing population in terms of policy responses to enable future social and economic direction. As identified and discussed in Chapter 3 of this thesis, the implementation of strategies like the *National Strategy for an Ageing Australia* and the *Intergenerational Report* have provided a solid basis for the future direction needed both socially and economically to accommodate the ageing population at a national level. As acknowledged in the National Strategy, this document represents a framework for establishing principles, goals and actions to *guide* response by other levels of government, business, industry providers and the community. This strategy is perhaps supported by the *Intergenerational Report*, which provides a fiscal overview of the Australian economy and the implications and emerging issues arising from an ageing population. Both documents do recognise that ageing needs to be addressed at all levels, whether it is government, industry or community.

Adopting a holistic approach, the Commonwealth Government continues to provide funding and policy direction to the aged care industry. Evidence of this is conveyed through reforms of the aged care industry in 1997, with the introduction of the *Aged Care Act, 1997*. Furthermore, the continued research and monitoring of the ageing population, as well as allocation of funding to recognise the impact of an ageing population, have been important factors.

Role of the State Government

At a State level, the provision of aged care is one which comprises a more regulatory based role. This is discussed in Chapter 5 of this thesis, with specific reference to the way in which policy documents such as State Environmental Planning Policy (SEPP) No.5 and more recently, SEPP Seniors Living 2004 have facilitated the provision of housing in New South Wales in the last two decades. This policy document, which is administered across the entire state, provides a consistent framework in which development for the purpose of aged accommodation is permitted. Furthermore, as housing for an ageing population is a state significant issue, SEPP Seniors Living 2004 allows for monitoring and clarity in regulation. However, this is currently under review by the Department of Planning and the Working Party, with the potential for responsibility to shift to local government level. At the time of this thesis, review recommendations were still pending.

While SEPP Seniors Living 2004 is generally an effective means in the provision of housing, there are some fundamental flaws which need to be addressed. The policy does not effectively address the market over supply or under supply of particular forms of development. This potentially results in development of one level of care, as opposed to a variation across a community. Accordingly, there needs to be a mechanism to address this within the policy. In addition, there is no monitoring of development within an area against the existing and projected demographic data within a community to determine future demands for housing and associate facilities and services. Recommendations will be made in the following section of this thesis.

Role of the Local Government

At the local level of government, the responsibility for the provision of housing is reliant on the development of SEPP Seniors Living 2004, to which Council is the consent authority. Providing a regulatory role, Council fulfils the requirement in the provision of housing, through assessment of development applications for seniors living within the LGA. However, as mentioned earlier in this chapter, there is an increasing push to re-allocate the responsibility in the provision of aged housing, from State to Local Government.

This move is supported by the NSW LGSA, who believe that a state policy provides inflexible development controls for local circumstances (2000,1). With the potential to allow local government areas to monitor growth and develop guidelines based on area specific needs, it has the potential to create a system of inconsistency. While it is acknowledged that each LGA has a different demographic breakdown, the consolidation of the provision of aged care housing controls within the standard instrument LEP will make Local Council more responsible for the provision of adequate housing. This can only effectively work if LGAs have the demographic data analysis and planning tools to assist in determining the Council's required needs. In addition, without a strong legislative framework supporting the principles and development standards contained with SEPP Seniors Living 2004, as well as addressing the various anomalies identified by the author, there is the potential for inappropriate development to occur.

5.4 RECOMMENDATIONS

As mentioned in the assessment of the effectiveness of SEPP Seniors Living 2004 there appears to be a fundamental flaw. This flaw relates to the provision of *appropriate* housing, at a locality specific level given the lack of regulation. While the state based policy of SEPP Seniors Living 2004 provides development standards relating to height, access and design, including provisions for parking and landscaping, there is no provision on what *type* of development is provided. Type refers to the form of seniors living provided, whether it is self contained, infill, hostel or residential care development. This poses a problem in over supply or under supply of one form of development in a locality, which leads to community needs not being met. Accordingly, in my opinion, the following recommendations are made in regards to SEPP Seniors Living 2004.

1. Firstly, each LGA must identify and the level of existing housing stock available in the community (based on age, type of care and location);
2. Secondly, the demographics of an area must be identified in terms of existing and projected residents within the community. [Upon completion of this thesis, the NSW LGSA released this demographic profile data for each LGA in New South Wales – refer to <http://www.lgsa.org.au/www/html/361-greater-sydney-councils.asp>];

3. Working in co-ordination with the Department of Planning, Councils should establish planning ratios based on gaps in the market (referring to the need for low and high care, dementia care or affordable housing);
4. Councils, when approached by potential developers of seniors living development should advise of the need for certain types of development needed within an area, with the potential for incentives based on the provision of needed types of aged accommodation; and,
5. Once a development application has been lodged with Council under SEPP Seniors Living 2004, the Department of Planning should become a referral agency, to ensure clarity in the development process. Once the development has been assessed against the community demographic profile and housing stock, concurrence may be granted on the basis that the proposal provides a form of development required in the locality. However, if the developer does not meet the planning ratio, an opportunity to contribute in lieu of what is not provided may be available. This may be done through the payment of a contribution fee towards community housing providers for local facilities and services or through the dedication of affordable housing to be owned and managed by a local community housing provider or Council.

This recommendation is not unlike other existing policies, such as State Environmental Planning Policy (SEPP) No.10 – Retention of Low Cost Rental Accommodation. For example, SEPP 10 requires assessment against median rental rates to determine applicability, which is assessed by DOP who determine the impact of the loss of low cost rental accommodation on a locality basis. Concurrence is required from DOP prior to determination of the DA by Council a Similarly, my recommendation has been based on the method in which a level of appropriate aged housing is provided and maintained within communities.

While it is recognised that this recommendation has the potential to deter developers from providing aged accommodation, it should be recognised that development occurring in many communities under the existing SEPP Seniors Living 2004 is not appropriate for the locality, or perhaps provides an oversupply of one type of accommodation, rather than all three levels of care.

5.5 CONCLUSION

Chapter 5 has provided an overview of the accountability and responsibility in the provision of aged accommodation in New South Wales at a Federal, State and Local level of government. In addition, a brief examination of local government policy application is provided, as well as future directions in the provision of aged housing. While there is suggestion that SEPP Seniors Living 2004 may be replaced by a more local level planning mechanism, such as controls within the Local Environmental Plan (LEP), in my opinion, this raises a number of concerns in terms of consistency and transparency in the provision of housing. Furthermore, SEPP Seniors Living 2004 recognises at a state level the importance of providing a mechanism for providing aged accommodation, particularly given the history surrounding this form of development. It must be acknowledged that prior to the implementation of SEPP 5 in 1982, there was a strong reluctance by some Local Government Areas to permit development for aged housing. Accordingly, this state policy ensures that there is a consistent approach to development.

In addition, suggestions has been made as to who is ultimately responsible for ensuring there is adequate aged care accommodation in communities. While the ageing population is everyone's responsibility, from a federal advisory level to a state and local level, it is something which requires broad based responses, through policy and on-going strategy implementation in co-ordination with various levels of government and community. In my opinion, based on my recommendations, I think the responsibility, while remains at a State level in the maintenance and implementation of a State based policy. In addition, there are improvements which can be made to the existing SEPP Seniors Living 2004, as recommended, which may enable a greater degree of effectiveness in the provision of adequate aged housing in New South Wales.

6.1 INTRODUCTION

Chapter 6 provides a review of the issues and potential problems in the provision of aged care in a planning context. In particular, this chapter will revisit the research statement and discuss the findings of this thesis. In addition, a number of recommendations and planning solutions are made in light of aged care and the current policy at implementation levels, identifying who is accountable. Finally, this chapter concludes with ideas for further research required in this area.

6.2 IMPLICATIONS OF AN AGEING POPULATION

This thesis has provided an overview of the demographic situation in Australia and New South Wales, identifying how the population is numerically and structurally ageing as the Baby Boomer cohort approach retirement age. As the result of decreased fertility and mobility rates and the increase of longevity, the population structure is experiencing a demographic shift towards an ageing population. As indicated in the Chapter 2 of this thesis, Australia's population is ageing. While there is currently 889,500 people, equivalent to 13% of the New South Wales population over the age of 65 years at present, this proportion is expected to rise notably to over 20% in the next two decades. Consequently, there will significant social, economical and environmental impacts.

Furthermore, there will be a greater demand for adequate housing and associated support services and facilities. This will impact on the role of government, planners and the aged care industry and challenge the existing framework of strategy and legislation relating to aged care. With various roles and responsibilities at each level of Government, a co-ordinated approach is required to ensure that the provision of seniors accommodation is facilitated by the best means possible. Recognised as requiring a holistic approach, government strategies such as the *National Strategy for an Ageing Australia* have provided a framework of goals and principles to minimise the impact of population ageing in Australia. In addition, reports on the fiscal implications have also been provided, including the *Intergenerational Report*, prepared by the Treasury to assess the likely impact of the ageing population in economic terms.

Furthermore, shifts in government ideology have also played an important role in the preparation for the ageing population. Campaigns for Ageing in Place, Healthy Ageing and the provision of Superannuation have seen a notable change in the way in which the Government has addressed the ageing population and have been discussed at length in Chapter 3 of this thesis. In addition, reform within the aged care industry has also responded to the ageing population in Australia. The restructuring of the *Aged Care Act, 1997* in addition to a number of care assistance packages provided by the Commonwealth has seen a more sustainable approach to the challenges faced economically and socially as a result of an ageing nation.

Notably, with greater numbers of people over the age of 65 years, a healthier and more active cohort than previous generations, it is likely that there will be a change in demands, especially for housing. While it is noted that Government initiatives encourage ageing in place, there is a notable market for smaller, more manageable accommodation. Furthermore, with increased longevity, there is the likelihood of requiring assisted levels of care. Accordingly, the supply and variety of housing needed in the coming decades will be varied and require adequate options in response. This is something which planning policy must address.

6.3 EFFECTIVENESS OF PLANNING POLICY

This thesis has examined existing aged care policy. This included a review of the various federal government policies, strategies and ideology on aged care in Chapter 3. This has been identified as providing a foundation framework for the entire system in Australia. In addition, at a state level, a review of previous State Environmental Planning Policy No.5 and SEPP Seniors Living 2004 was conducted in Chapter 4. This included reviewing the effectiveness of existing aged care policy and SEPP Seniors Living in providing adequate aged care accommodation against the AHURI model for housing. This model was used to determine whether SEPP Seniors Living 2004 facilitates the development of housing which is affordable, appropriate and available. As acknowledged in the assessment of SEPP Seniors Living 2004, the existing policy generally meets the above mentioned aims in the provision of housing. There is however, room for improvement in terms of providing a diversity of housing, where legislation does not stipulate the level of care types to be provided in a development, nor is it responsive to the specific needs of localities.

There is also increasing evidence to suggest that this responsibility will shift towards a local level responsibility through the provision of aged accommodation under LEPs. This is noted within the Metropolitan Strategy and the Working Party Review of the SEPP Seniors Living 2004 policy. Accordingly, there is a potential for the responsibility in the provision of aged accommodation to shift to the local level, which is considered, in my opinion, to be the wrong way of dealing with the provision of housing and raises a number of concerns in terms of consistency and transparency.

Furthermore, SEPP Seniors Living 2004 recognises at a state level, the importance of providing a mechanism for providing aged accommodation, particularly given the history surrounding this form of development. It must also be acknowledged that prior to the implementation of SEPP 5, there was a strong reluctance by some Local Government Areas to permit development for the purpose of seniors housing. Accordingly, this state policy ensures that there is a consistent approach to development and opportunity to provide aged housing within New South Wales.

6.4 RECOMMENDATIONS

While SEPP Seniors Living 2004 provides specific development standards to regulate aged care accommodation of varying levels (self contained, assisted care and residential care), as indicated in Chapter 4 and 5, the policy does not control the provision of which form of development from these three levels of aged care is provided within a community. This poses a problem in terms of providing the adequate accommodation, in terms of affordable, appropriate and available housing, in order to meet the needs of all elderly residents in a community. Accordingly, in my opinion, there is potential for an amendment to the SEPP Seniors Living 2004 to incorporate a State supervised approach, requiring concurrence from the Department of Planning, in association with Councils. This will ensure that there is adequate types of housing available, as well as being appropriate for the existing and projected community. Furthermore, this will improve the quality of development in localities, based on the community need as opposed to the developer's choice.

In my opinion, based on my recommendations in Chapter 5, I think the responsibility remains at a State level in the maintenance and implementation of SEPP Seniors Living 2004. Remaining as a state policy, the premise for providing housing remains consistent. In addition, I think there are improvements which can be made to the existing SEPP Seniors Living 2004, as recommended, which may enable a greater degree of effectiveness in the provision of adequate aged housing in New South Wales.

6.5 OPPORTUNITIES FOR FURTHER RESEARCH

In the researching of this thesis project, I have discovered a number of potential further research topics. Given additional time and resources, the following topics have the potential to uncover areas which may not have previously been explored in greater detail to contribute to the aged care industry. In my opinion, the aged care industry is one in which numerous research opportunities exist.

Of potential great benefit would be research on the existing aged care housing stock. This could be undertaken for a number of regions, both metropolitan and beyond, to highlight the 'gap' in the provision of aged accommodation. Further, a break down of the existing facilities, and level of care provided to identify areas of undersupply and oversupply. This information could be compared to existing and projected demographics of an area. In addition, it would be interesting to examine the types of development approved since the existence of SEPP Seniors Living 2004. In particular, the types of development occurring in particular localities and whether a variety of levels of care are being provided in communities.

Socially, there are opportunities to further research the needs and desires of the Baby Boomer generation, including housing preferences and perceptions of ageing with specific reference to assisted and nursing care accommodation. Also, a study of affordability of aged care accommodation would further inform the market in the provision of affordable housing options, as well as policy makers in meeting the needs of the community.

While it was stated that the provision of housing for people with a disability was beyond the scope of this research, it would be useful to explore this further. While SEPP Seniors Living 2004 is typically associated with the provision of aged development, the policy also facilitates development for the purpose of accommodating people with a disability of all ages. While SEPP Seniors Living 2004 jointly legislates the development for both seniors and people with a disability, it does not provide the incentives or opportunities, as it does for say, seniors living.

Furthermore, given that the policy facilitates people aged over 55 year or people with a disability of any age to reside within accommodation provided under SEPP Seniors Living 2004, the social impacts of such cohabitation are of key interest. There is a growing proportion of people under the age of 55 years, who require nursing care or assistance of some degree, however, there is a lack of suitable accommodation choices in the community. This presents a problem, primarily surrounded by negative perceptions of nursing care within the community and the stigmatisation of 'old peoples homes' per se. At present, a pilot project is being undertaken in Brisbane, by a not for profit organisation known as 'Youngcare' and primarily supported by the Wesley Mission. This project is facilitating the development of apartments to offer alternatives for young people with a disability, given the lack of available options. With over 6,000 young people residing in nursing homes in Australia, there is a demand for alternatives. This is something which needs to be reassessed at a Commonwealth level in terms of funding, as well as a State policy level to facilitate the development of alternatives for this group of people. Accordingly, this thesis has developed a number of ideas for further research into the aged care industry.

6.6 CONCLUSION

While the ageing population is everyone's responsibility, from a federal advisory level to a state and local level, it is something which requires broad based responses, through policy and on-going strategy implementation in co-ordination with various levels of government and community. In my opinion, it is my recommendation that the provision of housing remain the responsibility of the State, under the provision of SEPP Seniors Living 2004, in order to permit the continued development of seniors accommodation under a consistent policy framework.

Planners must recognise the importance of preparing for the onset of an ageing population in Australia. While stigmatised by the perception of various negative social and economic impacts, with foresight in planning, there is opportunity to embrace the ageing population given the positive influence older Australians present in a community. Planners need to be aware of the implications of an ageing population within a community, as well as the implications it has on demand and supply of housing, community facilities and services and the wider community. Accordingly, with appropriate strategic policy, foresight and growing awareness of responsibilities, any potential 'growing pains' may be avoided, as the ageing population continues to age both structurally and numerically in Australia.

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