

TRANSCRIPT

STANDING COMMITTEE ON LEGAL AND SOCIAL ISSUES

Subcommittee

Inquiry into the retirement housing sector

Melbourne — 16 November 2016

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Witnesses

Prof. Yvonne Wells, Professor of Aged Care Research and Convenor of the Healthy Ageing Research Group, La Trobe University, and Distinguished Member, Australian Association of Gerontology.

Ms Tonye Segbedzi, Senior Policy Officer, Australian Association of Gerontology.

The DEPUTY CHAIR — I would like to welcome our next witnesses, Professor Yvonne Wells and Tonye Segbedzi from the Australian Association of Gerontology. Welcome to the public hearings of the legal and social issues committee today. All evidence taken at this hearing is protected by parliamentary privilege. Therefore you are protected against action for what you say here today, but if you go outside and repeat those same things, those comments may not be protected by this privilege.

You have been allocated 45 minutes for your contribution this afternoon. I ask that you keep your opening statements to about 5 to 10 minutes so that we have plenty of time for questions.

Prof. WELLS — Tonye and I are here representing the Australian Association of Gerontology, which is a multidisciplinary group of professionals who fulfil a range of roles, including research and service provision. That includes practitioners and also government representatives. So we are genuinely multidisciplinary and cover a range of voices. We have a newly established special interest group on housing which just emphasises, I suppose, the currency of the whole issue of retirement housing at the moment in Australia.

I have given you a handout and I am going to just whizz through that fairly quickly. This is just to help me structure my ideas. It really summarises the material that is already in our submission. The slide on the bottom of page 1 is just meant to emphasise that retirement housing in Victoria and in fact the whole of Australia is extremely diverse, covering, as you know, everything from caravan parks to serviced apartments. So there is a wide range of lifestyles represented there, including continuing care, and a wide range of size, location, cost and affordability, security of tenure and so on.

Different kinds of housing are covered by different legislative frameworks. That adds to the variety and the options available to consumers but can also make choices really confusing. There is also a range of provider types, and these may have very different views about what the role of retirement housing is and their proper role, I suppose, in providing that housing.

The diagram on the top of page 2 just sets out where we are going in this very brief presentation. We are going to quickly cover the benefits. We are going to look at some issues and then look at some solutions. As I said, all this material is in our submission, but it is summarised here as well.

We wanted to emphasise that there are benefits to retirement housing for consumers, providers and government. For consumers it does allow an option between living in your family home, if you ever had a family home, and going into residential care. It helps fill that gap between community living and residential care living.

It is an option, as the handout says, in downsizing or right-sizing — which is the term we prefer. There is a choice in types and providers of this kind of housing, and generally the research reports fairly high levels of satisfaction with retirement housing. There are a range of issues, but generally people are happy that they made the decision to move and they benefit from their new housing setting, including the provision of practical support and social support, depending on the kind of village or type of setting that they move into and the philosophy that their provider adheres to.

For some providers it is a way of making money of course. For other providers it is a way of introducing older people to the provider as a provider of aged care, for example. So it is a way of getting people knowledgeable and interested in the whole area of support and assistance as they grow older. For government it is another way of assisting older people to age well and remain active, potentially, and it helps fill the gap caused by the demise, really, of low-level care in the residential care setting.

There are a range of issues for consumers. It can be a very difficult and confusing sector to become involved in. There can be instances of poor design. Even in some newer complexes there can be issues with the design of the units, with the design of the surroundings, with the location and so on, which means that that they are not optimally designed for the consumers to support them to age in place. There can be difficulty with financial and contractual arrangements, and we know that COTA have given you a whole range of evidence on that. There are some groups that fall through the cracks, so people who do not have a lot of financial resources — renters, people who are homeless, people with disabilities or cognitive impairment — and we know that some retirement villages actually actively push out, I suppose, people who develop a physical frailty or cognitive frailty, and this is an issue. So some retirement providers fail to provide that kind of continuity of care which would be optimal.

For providers we know there are issues with uncertainty about the future. There is low acceptability of retirement villages among baby boomers; we know that from some current research. So the incentives to build retirement housing that are going to work for consumers is uncertain.

Peak bodies receive many complaints about retirement housing, so they see it relatively negatively. There are issues for government in that we see retirement housing as really being intersecting and requiring cooperation from all three levels. Optimal retirement housing is not just about the four walls that people live in; it is about the kinds of services and supports that can be provided there as well. It is about public transport, it is about location and it is about the whole of life really. It is difficult for a government to deal with issues like that, which are whole-of-life issues.

Really, being a researcher, this is my platform: that more research is needed to inform policy and practice, and I want to say a little bit more about that next, which is on the slide at the bottom half of page 3. So quickly looking at solutions — how much longer have I got?

Ms SEGBEDZI — Probably another 4 minutes.

Prof. WELLS — Have I?

Mrs PEULICH — You are on track.

Prof. WELLS — That is good. So what kind of research do we need? There is some research about retirement housing, both from overseas and in Australia, but it is fragmentary. It tends to be point-in-time research — that is, it does not follow people through time. What we really need are comprehensive studies of a range of housing settings, not just focusing on retirement villages and not just on ILUs, and following people over time to see what happens to them.

The housing industry will tell you that living in a retirement village is a good thing to do and it may prevent people from moving prematurely into residential care. In fact they do not have an evidence base to say that — which is convincing. So there are snippets of information which might indicate that that may be the case, but we do not have a convincing evidence base on that. So we do not really know what are the longer term benefits and issues in living in retirement housing.

Also we need research that addresses the interests of all stakeholders, so we want to have research which is going to get the providers really engaged. It is important that the for-profits, the not-for-profits, the housing industry groups and consumer groups all have an investment in the research that is conducted. Otherwise what will happen is that they will just say, 'It's those ivory-headed academics producing this stuff. They don't really understand what the industry is about'. So it is important that we get engagement from all the stakeholders. As I said before, it has to be longitudinal.

Other solutions include possible legislative reforms. I will just quickly whizz through these because they are covered in our submission, and I can tell you what paragraph you can find them in. There is an issue about stamp duty, which is a disincentive for people to downsize or to right-size. An alternative that has been suggested is land tax. There is the issue about granny flats. Planning permissions need to be much simpler to encourage people if they want to provide that kind of housing for relatives or for friends. There are issues about planning approvals and providers needing to find suitable sites, which can be quite difficult. Everyone is aware of monstrosities of flats being built on large sites in a range of places in Melbourne. They could have been used for retirement housing. Why were they not? What are the issues that prevent providers from using sites as they become available? There needs to be consumer protection obviously, and the idea that there be a retirement housing ombudsman is one that the AAG would support.

Turning to government policy, as I said before there needs to be a whole-of-government approach including at all three levels — 'joined-up government' is the term we like — to really address the issues of retirement housing. There is the issue with independent living units, which stopped being funded in about 1980 something or other. The housing stock is now getting old, it is sometimes not legislatively compliant. What do you do with those sites? How do you get them redeveloped or brought up to scratch? There are issues for people who are homeless and who need affordable housing. Governments have tended to withdraw from the whole issue about housing, and it is a problem, particularly for people who do not have financial resources.

There is the possibility of using government land as it is sold for aged-care housing. As the population gets older, instead of having primary schools maybe what we need is retirement housing. There is a need to support people who have special needs — people with mental health problems and people with lifetime disabilities — and there is the issue about creating age-friendly citizen communities. It is all very well having a retirement village but if it is not surrounded by an age-friendly environment, then it is not going to provide a high quality of life and support ageing in place for the people who go to live there.

Finally, we would like to see movement in industry practice. As I said before the industry is hugely variable, and you will have found that out for yourselves, with providers having a wide range of philosophical orientations towards what they are doing. We would like to see providers from a range of backgrounds involved in discussions about what the retirement housing industry is about, how it can support people better, about how it can link in with health care, even so far as facilitating the provision of palliative care in the home so that people not only age in place but die in place, in the same way that they would in other community settings.

We would like to see a continuing of diversity in housing options. We would like to see some innovative housing models. We would like to see a whole lot more universal designs so that housing settings can be adapted as people develop frailty. Finally, and this is not in our submission strongly, we would like to see much more consumer input into the design of retirement housing. We know from the research we have done that consumers will say things like, ‘Well, if they had only asked me, I would have told them not to put the cupboard there’.

Mrs PEULICH — Or put handrails in the bathrooms.

Prof. WELLS — Yes. Consumers need to be consulted much more in the design and building of the houses they are going to end up living in. That is where I would like to leave it.

The DEPUTY CHAIR — Thank you very much. Can you elaborate a little bit on what you would consider to be adequate consumer protections in the space?

Prof. WELLS — I am going to ask Tonye to help me with this one.

The DEPUTY CHAIR — I asked you to elaborate on what would be adequate consumer protections.

Prof. WELLS — We have probably got it in our submission. This is in paragraph 25 of our formal submission. This talks about the various acts which cover consumers in retirement housing. We believe that this legislation needs to cover broader issues than it currently does and that there needs to be a review of the legislation. Different housing — —

The DEPUTY CHAIR — Sorry, before you go on, when you say ‘broader issues’ what does that mean?

Prof. WELLS — I mean broader issues like the issue of providing aged care in retirement housing and that there be protections for people who need to use those supports. For example, in some retirement villages people are afraid of using home and community care because they believe that if they show signs of developing physical frailty or cognitive frailty they will be asked or forced to move on. So there are issues with the joining up of various legislative frameworks to prevent that from happening and to protect consumers. There are also a whole lot of issues with contracts that people sign that may be very complex and they do not understand the ramifications of in the same way that there are other consumer issues generated.

The DEPUTY CHAIR — So you would say it was a mixture, I guess, of complicated legislation and perhaps practice as well, about how it is enforced?

Prof. WELLS — Yes. Not just complicated legislation, but varying legislation. Not all retirement housing is built or operates under retirement housing legislation. Some of it just operates under rental legislation. Even comprehensive providers may have different sites operating under different sets of legislation, and it can be really confusing for consumers to try and navigate their way through that whole maze and to understand what the differences are between living in a retirement village, in an ILU or in a retirement apartment.

The DEPUTY CHAIR — Yes. So your preferred solution would be to have a legislative review?

Prof. WELLS — We believe there needs to be a legislative review, yes, and more consistency and comprehensibility for older consumers.

Mrs PEULICH — Thank you very much for the presentation. I am particularly interested in your comments about the range of retirement housing, because I think it is very difficult to look at just one sort because what we really need to do is look at meeting all of those needs, including many that are not currently being met, but also creating more competition in the retirement housing sector, both in the public sector and the private sector. You have correctly identified for me a particular interest, the concerns surrounding the provision of housing for single-person households, which of course spills over into homelessness as well, whether it is exacerbated by mental health, substance abuse and so forth or simply poverty. How can we create more competition and the freeing up of housing provisions across the private sector, the public sector and the broad ranges which may then perhaps make those who are providing accommodation in retirement villages also more responsive to their own clients, their own residents, because they want to keep them?

Prof. WELLS — I think responsiveness is an issue rather than competition actually, because — —

Mrs PEULICH — You do not think that one leads to the other?

Prof. WELLS — Obviously they are connected, but I think responsiveness is the issue which would be closer to consumers' hearts. The options are out there. If people have financial resources they can certainly buy their way into wherever they want to, but whether the place that they buy their way into then responds to their changing needs is another issue altogether. I am not sure whether I have addressed really what you were getting at.

Mrs PEULICH — No. So how can we provide a greater volume of housing stock for the range of needs that you are talking about, and I agree with you, in particular single-person households across the sector?

Prof. WELLS — This comes back to the issue of downsizing and right-sizing —

Mrs PEULICH — And granny flats —

Prof. WELLS — and granny flats — —

Mrs PEULICH — and building in areas where you need to have aged-care provision but planning does not perhaps allow it. I know aged care is not a prohibited use in the green wedge, and there is ample degraded land which is not of significant environmental value, so a really good use would be aged care.

Prof. WELLS — Or retirement housing.

Mrs PEULICH — Or retirement living, absolutely.

Prof. WELLS — Yes, given that they are linked but different. Well, absolutely, and that gets back to the point that I think I made in passing, which is that while there is a lot of building, a lot of that building is not well designed for growing older in. So some of this is about retirement-specific housing, but it is also about the aged friendliness of ordinary housing.

Mrs PEULICH — Are you aware of any single innovative business model that makes investment in single-person accommodation more viable? A lot of people are not investing in building single-person accommodation — this is just broadly speaking — because there is no capital gain. The market is not growing, they are not getting returns and a lot of the time people do not buy a two-bedroom apartment or a two-bedroom flat or go into two-bedroom accommodation because they cannot afford it. It is actually spending money that they have not got. Are you aware of any innovative business model, whether it is in Australia or whether it is elsewhere, that creates the flow of income that makes that possible?

Prof. WELLS — Can we take that as a question on notice?

Mrs PEULICH — Yes, sure.

Prof. WELLS — Business models are not my forte, I suppose. We would need to be talking to our partners who are housing and aged-care providers about how they see that as a possibility.

Mrs PEULICH — I know in student accommodation Monash University has found an interesting model that also taps into rental assistance, so I was just hoping that you might be able to flush out some examples where it works in the retirement sector.

Prof. WELLS — Yes. I suppose if I had to make a general comment it would be that I actually believe, and this is something that comes from my own perceptions, that in Australia we have lacked innovation in retirement housing. It is actually very difficult both for providers and for older people to conceive that things could be different and how they might be different. So while we do have options and a range of different kinds of housing providers and settings, we actually do not have enough, it seems to me. There are different models operating overseas, some of which have struggled to operate in Australia. I am thinking of the retirement apartments model, for example, which operates in Europe. We do have a couple of examples of retirement apartments operating in Melbourne, one very successfully and one very unsuccessfully. I am not going to name them. There are things that could be done differently if we had the imagination and the incentives to do so. I actually see research as one way of stimulating that kind of discussion.

The DEPUTY CHAIR — Sorry to cut in, but just to elaborate on this theme, are there specific models from other jurisdictions that you think could be transferred to an Australian setting in our cultural context?

Prof. WELLS — That is the thing we do not know — one of the things we do not know. I actually think that Australians do have particular sets of views and opinions about housing which are unique to us, and so we do not know how well models from overseas will translate.

Mrs PEULICH — They may be unique, but they may need actually to change. For example, and I am going to really be a devil's advocate, our attitude to public housing is once you are in public housing, even though it might be when you have a family and a five-bedroom home, that you are there for life, and even as a single person you continue to occupy the same residence when you have people who cannot get into public housing who qualify. I just see that as an injustice of the system — of us actually not running an efficient system. How do you justify one person staying in public housing —

The DEPUTY CHAIR — In a three-bedroom house.

Mrs PEULICH — in a three-bedroom or more house, and you cannot provide for those who might be homeless or single-person households who cannot get a foot in the door to public housing? To me, it is all one system, and we need to change on a range of fronts if we are actually going to accommodate the needs.

Prof. WELLS — Yes, I absolutely agree, and there needs to be provision of alternatives that would actually be attractive to people to move into. That probably means in the same neighbourhood so they can maintain their connections to friends and to location. It is about ageing in place appropriately.

Ms SYMES — Thank you very much for your presentation. Just going back to this idea about dispute resolution, whether it is an ombudsman or advocate, or whatever it is, you are supporting the idea of an ombudsman because it would provide a free, fair and quick resolution. The industry tells us that it would not be free; in fact the cost would go back to the consumer. With that in mind, is it just that people need better access to dispute resolution or are you wedded to the ombudsman model specifically?

Ms SEGBEDZI — I do not think we are wedded to that specifically, but I think the principles are that it needs to be cost-effective, fair and fast.

Ms SYMES — Yes, work.

The DEPUTY CHAIR — Thank you very much for your time this afternoon. You will receive a copy of the transcript in the next few weeks so that you can proofread them and send them back to the secretariat.

Prof. WELLS — Lovely. Thank you.

Witnesses withdrew.