



Joint

# CIOB & AIPM

Presentation

## Governments and Construction – The Influence on Aged Care 1997 to 2030



The Salvation Army Australia Eastern Territory

# Governments and Construction

## The Influence on Aged Care 1997 to 2030





## Background

- Australia Eastern Territory Includes NSW, ACT & QLD,
  - Has 1,483 Aged Care Beds And (Fed Act)
  - 416 Independent Living Units (State Act)
- 1997 Aged Care Act
  - Half Our Beds Would Fail New Standards
  - Over One Third Must Be Rebuilt
  - Either New Sites Or Demolish Old Sites
- Financing (Not A Topic For Today)

*Thank God for the Salvos*



## Introduction

1. 1997 Commonwealth Aged Care Act
  - Management Systems, Staffing & Organisational Development
  - Health & personal Care
  - Resident Lifestyle
  - Physical Environment & Safe Systems

*Thank God for the Salvos*



## Introduction (Cont)

2. Rapidly Changing Environmental Issues
3. 3 Tiers of Government Plus Certification
4. Aged Care Building Standards Effect On Costs
5. Issues in Redeveloping a Brownfield Site
6. Gen "X" And Aged Care In 2030
7. Influence On Future Domestic Properties

*Thank God for the Salvos*



# (1) 1997 Commonwealth Aged care Act What is Certification?

- Certification is the status given to a residential aged care service based primarily on its ability to **provide quality accommodation** for residents.
- Certification seeks to ensure that **minimum standards are met**.
- Providers, who are looking to upgrade the premises to meet the expectations of older Australians well into the future, should **aim higher than the minimum standards**.
- Certification does not in any way imply that the service meets any obligations under State, Territory and local government laws in relation to fire and safety.
- **The Act does not require that a residential aged care service be certified to be considered for accreditation.**

*Thank God for the Salvos*



## The 1999 Certification Instrument

- The 1999 Instrument incorporated a number of amendments to the 1997 Instrument, including:
  - a minimum pass mark of sixty (60) points, with no less than nineteen (19) points for Section 1- Fire Safety. (The 1997 Instrument only provided for a minimum overall score of fifty-seven(57) points, with no minimum for Section 1 - Fire Safety);
  - new privacy and space requirements for new buildings;
  - removal of Section 8 - Residential Issues;
  - heating and cooling scored in terms of climatic zones;
  - more information on hazards; and
  - improved wording and scoring to achieve consistency in assessment.

*Thank God for the Salvos*

Courtesy Blackett McGuire & Goldsmith



## The 1999 Certification Instrument (Cont)

- The 1999 Commonwealth Certification Instrument comprises of 7 sections, namely:
  - Section 1 – Safety
  - Section 2 – Hazards
  - Section 3 – Privacy
  - Section 4 – Access, Mobility, Occupational Health & Safety
  - Section 5 – Heating / Cooling
  - Section 6 – Lighting / Ventilation
  - Section 7 - Security

*Thank God for the Salvos*

Courtesy Blackett McGuire & Goldsmith



## Fire And Safety

- Fire And Smoke Compartmentation.
- Hydrants & Locations
- Hose Reels & Locations
- Sprinkler / Flame Suppression System & Locations
- First Aid Fire Fighting Devices & Locations
- Emergency Lights And Exit Signage & Locations
- Alarm, Detection & Locations
- Smoke And Heat Detectors
- Summoning Assistance & Evacuation Systems:
- Manual Staff Call Points
- Public Address (Voice)
- Other Alarms (Hands Free Phones / Pagers / Mobile Phones)
- Emergency Evacuation Plans And Procedures
- Training Manual And Record Of Training Program
- Visual Evacuation Plans
- Regular Maintenance Certification On All Services

*Thank God for the Salvos*



## Privacy, Space And Convenience (New Buildings)

- No Rooms With More Than 3 Residents
- Average 1.5 Residents Per Room Across The Facility
- There is also to be no more than 3 residents per toilet.
- There is to be no more than four residents per shower/bath
- Halls With 1.5 Meters Minimum Between Hand Rails
- 400mm Clearance Above Smoke Doors

*Thank God for the Salvos*



## (2) Rapidly Changing Environmental Issues

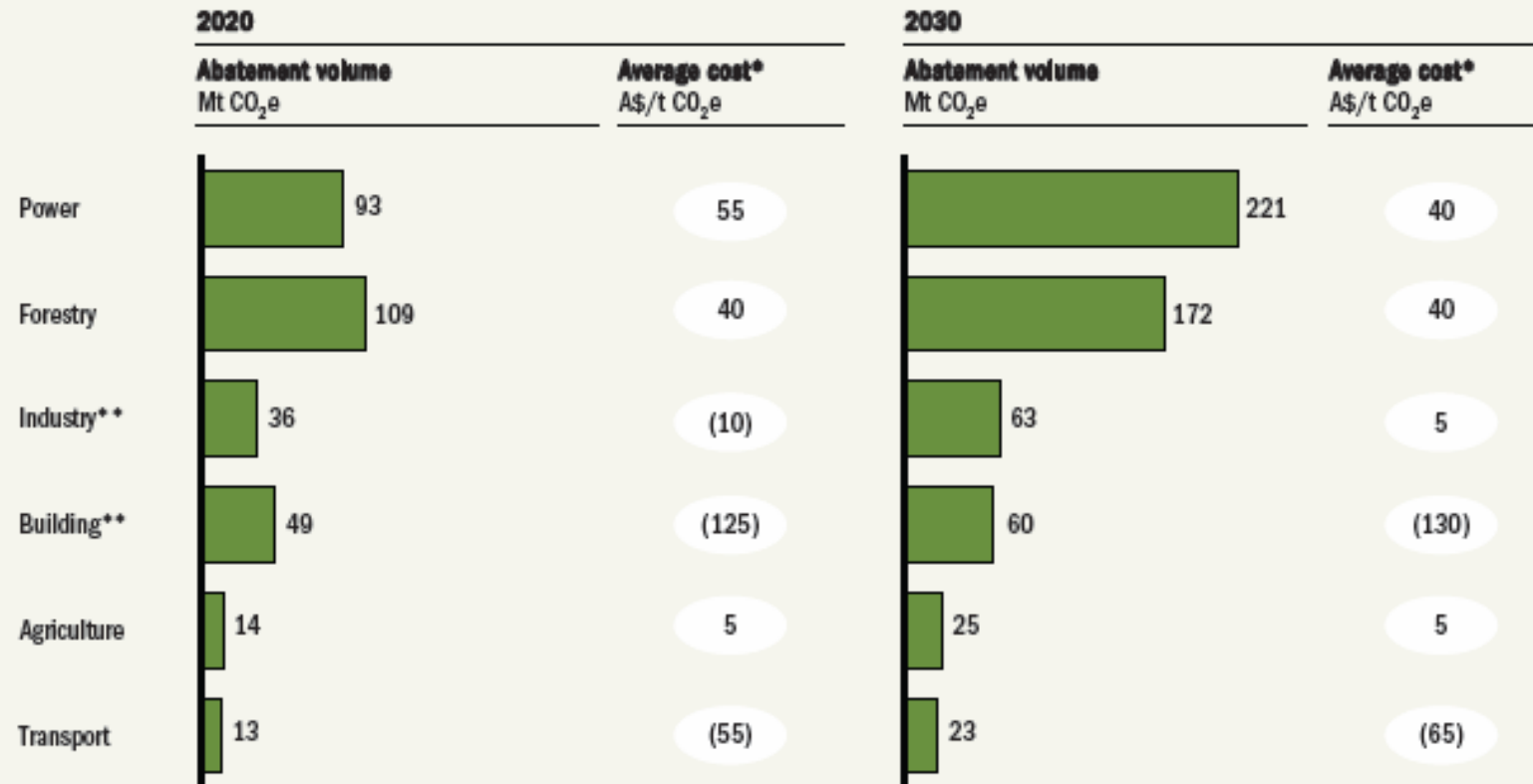
- BCA/Commonwealth Certification
- Part J
- BASIX
- NAHERS
- NGERS
- GDEO
- Carbon Neutral
- Water, Electricity, Gas, Landscaping

*Thank God for the Salvos*



## Exhibit 3 Potential Cost Savings In Building Industry

### Emissions reduction opportunities and cost by sector



\* Volume weighted costs to the economy—does not necessarily represent loss of profit to individual businesses

\*\* Opportunities in the building sector, and a proportion of those in industry, are measures to reduce energy demand and thereby indirectly reduce emissions in the power sector

Source: McKinsey Australia Climate Change Initiative



## (3) 3 Tiers of Government Plus Accreditation

- Commonwealth Regulates Aged Care
- State Regulates Retirement Villages
- State Regulates Issues They Consider Too Sensitive For Councils
  - Heritage
  - Water and Energy
  - Bushfire
  - Main Roads
- Local Council Regulates Building Approvals
- Independent Assessor Certify RAC Facilities

*Thank God for the Salvos*



## (4) Aged Care Building Standards And Cost

|                           | Per Sq M | Per Bed   |
|---------------------------|----------|-----------|
| Hotel (3 Star – 75 m2)    | \$2,300  | \$225,500 |
| Aged Care Facility (60m2) | \$2,880  | \$187,500 |
| Typical Apartment         | \$2,500  | \$120,000 |
| Seniors Living Apartment  | \$3,500  | \$190,000 |
| Project Home              | \$1,440  | \$86,400  |
| Accessible P' Home        | \$1,620  | \$97,200  |

The last 4 are for an average dwelling with 2 beds plus a study

*Thank God for the Salvos*



## The Issues Of Financial Returns

- Operations Funded By Dept Of Health & Ageing
- Residents Funded Accommodation Bonds In Low Care Only (Under Threat)
- PWC Say \$5,700,000,000 Needed By 2020
- Current EBITDA Is \$9.47 Per Day Or 1.7% ROI Down From 5% In 2005

*Thank God for the Salvos*



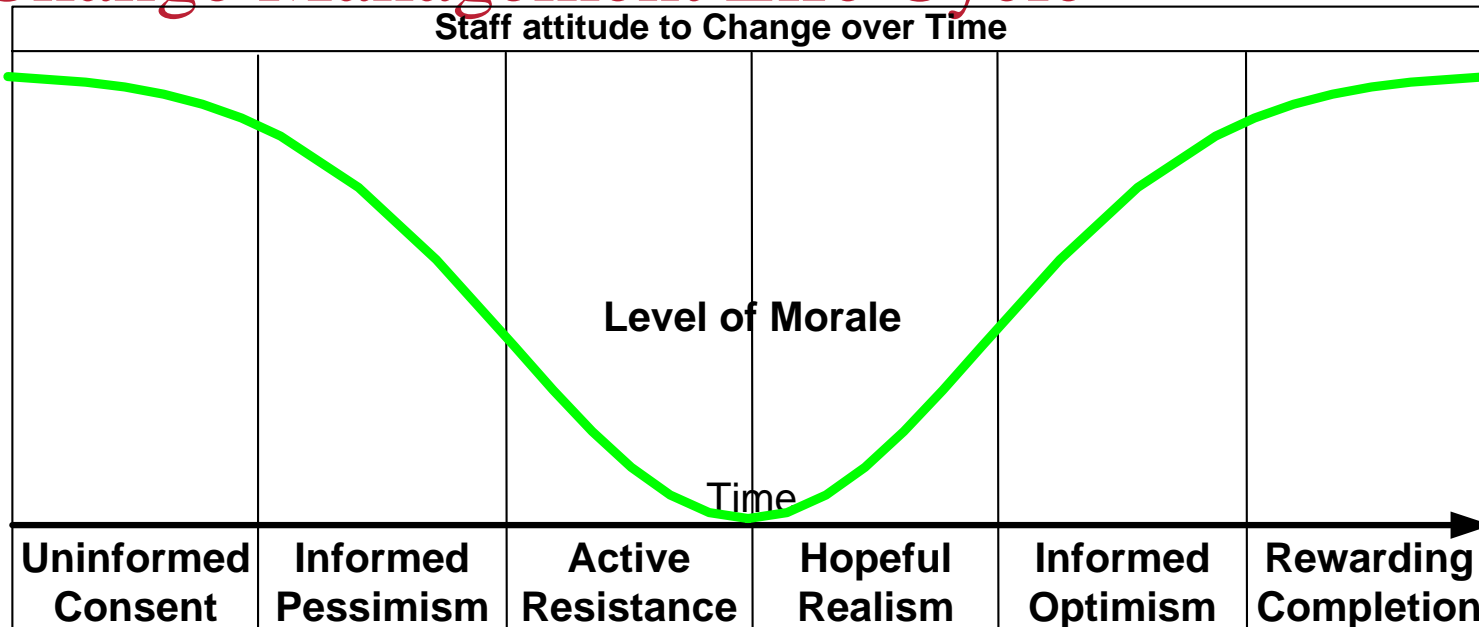
## (5) Redeveloping A Brownfield Site

- Dispirit Ages And Lengths Of Stay
- They Are Intelligent, Articulate And Have Time On Their Hands
- Family Backing Their Parents
- 125 Year Old Leases
- 12 Months Notice to vacate
- Finding “Like For Like” Nearby

*Thank God for the Salvos*



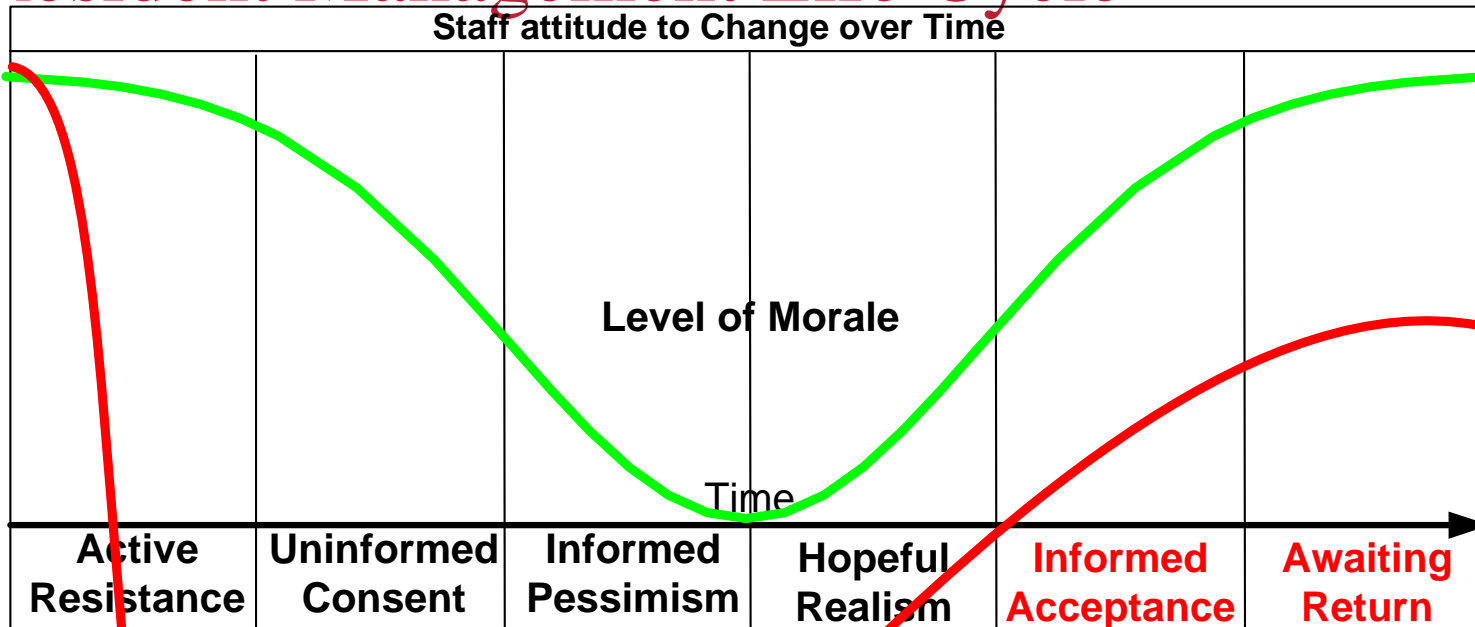
# Change Management Life Cycle



*Thank God for the Salvos*



# Resident Management Life Cycle



*Thank God for the Salvos*



## Financial Cost Of Relocating Residents

- Consulting Fees - \$25,000
- Packing, Moving and Unpacking - \$4,600 Each Home
- Misc Reimbursement \$500 Each
- Legal Costs \$2,700 Each
- Average ILU Per Resident \$380,000
- Total Cost \$10,914,949

*Thank God for the Salvos*



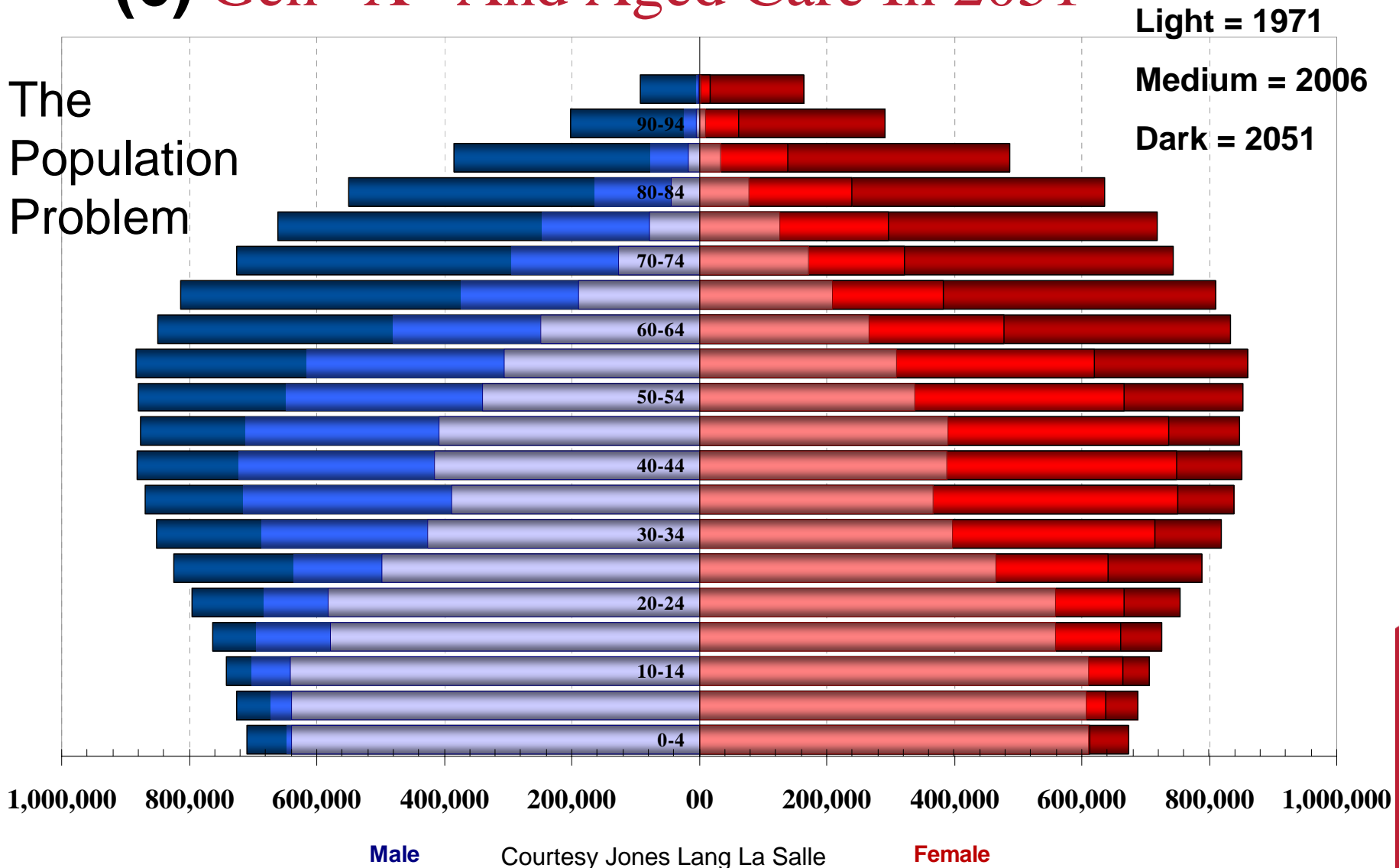
## Timing

- Planning New Village in April 2003
- Planning Vacancy In Dec 2005
- Announcement Made April 2006
- Mediators Engaged In May 2006
- Site Vacancy Obtained In May 2007
- DA Submitted In May 2007
- Engaged Security Nov 2007 to Deter Vandals and Squatters
- Council Panel Assessed on 8<sup>th</sup> October 2008. Decision Still Pending.

*Thank God for the Salvos*



# (6) Gen "X" And Aged Care In 2051





## Gen “X” And Aged Care In 2030

### The Potential Solutions

- Home Care (CACCP Packages)
- BCA Regulations For All Dwellings To Meet Much of SEPP SL
- Healthy Living and Faster Dying
- Low Interest Government Loans
- Manufactured Housing Estates

*Thank God for the Salvos*



## (7) Influence on Future Domestic Properties

- Parallel Introduction of Home Services
- Open Plan Living
- Ability to Retrofit “Accessible” features
- Single Level/All Apartments with Lifts
- Cabled For Emergency Call Systems
- BCA to Include Certification Guidelines

*Thank God for the Salvos*



*Thank God for the Salvos*