

Media Release

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Innovative Aged Care and Accommodation Scheme Seeks Hearing

The Benevolent Society has initiated a hearing in the Land and Environment Court on its innovative aged care and accommodation project – Apartments for Life (AFL) – at Bondi.

The proposed hearing will seek endorsement of revised development plans lodged with Waverley Council in March 2009.

The 140 unit project will allow up to 95 per cent of residents to remain in their home until end of life and not have to move into a nursing home or hostel. An unprecedented 40% of the apartments will be affordable so locals who are aged pensioners or unable to pay market prices will be able to stay in their familiar community.

The not-for-profit scheme is based on a successful overseas model. It is geared to allowing older people to remain in the neighbourhood of their choice, retain a level of independence and draw on care services as required, while maintaining a quality of life as they grow frailer.

The Society has committed to spending more than \$60 million on bringing the project to fruition, including some \$5 million on fully refurbishing the heritage-listed, Victorian-era Scarba House and preserving the site's historic fig trees and gardens.

The project is proposed for a site in Bondi that has been owned and used by The Benevolent Society for many decades.

The site area totals 11,650 sq metres (the size of two football fields), half of which will be open space and available to the general community to use and enjoy.

The Benevolent Society has been in discussion with Waverley Council about this project since late 2007. The original Development Application was lodged in May last year.

The development was submitted under the State Environmental Planning Policy (Housing for Seniors or People with a Disability) and is compliant with SEPP 65 design quality principles and the Council's social plan.

"The Society has listened to community feedback and made substantial changes to the original Development Application. Those changes have produced a very balanced design for the area," said Richard Spencer, Chief Executive of The Benevolent Society.

"The site is located in a medium density area - it is an ideal neighbourhood for keeping older people close to transport, shops and connected to local services.

"We have worked hard to minimise the impact on neighbouring buildings. We believe our design strikes the right balance between containing the impact as much as possible while including substantial public benefits.

"The design has been guided by the need to maximise access to social networks; avoid social isolation; boost the efficient use of community care services; promote independence; and include a substantial number of social housing and affordable housing apartments."

The Society's vision is that every person is healthy, safe, connected and has a meaningful and productive role in their community. It spends 94 per cent of its revenue on its community services.

The Society works with women, children, families, older people, people with a disability and those who care for them and people affected by adoption. The organisation, through more than 120 separate programs, supports vulnerable and disadvantaged people across the lifespan to build on their strengths and lead happy and fulfilling lives. It helps to connect communities through support groups, volunteer visiting programs and community projects.

Established in 1813, The Benevolent Society is Australia's first charity. Its 700 staff and 600 volunteers continue to support more than 17,000 children and adults each year in metro, regional and rural New South Wales and Queensland.

About The Benevolent Society

Media inquiries to Tracey Young, The Benevolent Society, 0449 901 753 or Graham Cassidy, Cato Counsel, 0419 202 317

Mr Spencer said the Waverley LGA had one of the highest proportions of older residents in Australia. People aged 75 years and over and constituted over 7.3 per cent of the LGA's total population compared to the Sydney-wide average of 6.1 per cent.

"An independent study undertaken by ACIL Tasman Economics concluded the benefits of the project to the community, government and other stakeholders would far outweigh the costs."

Mr Spencer said The Benevolent Society believed a proposed hearing in the Land and Environment Court was a responsible and transparent path to pursue in support of the project.

"It is very satisfying that experts in the field of providing and researching aged care and accommodation have unanimously endorsed the Apartments for Life model, and the benefits that will flow from its introduction.

"Importantly, we are convinced that it will provide a viable template for other organisations elsewhere in Australia, and we will be happy to share our experiences on the project with them.

"We have had a large number of interested older people from the eastern suburbs area contact us in support of the project and to enquire about the availability of the proposed units for themselves.

"We are committed to this project because it is a much needed new model of accommodation and care for older Australians, and because it will provide an option for today's future generations beyond traditional nursing homes and hostels.

"The Society is not undertaking this project to make profits. It will take on a deficit of up to \$6 million in the early stages as a result of the residential subsidies allocated.

"Some 40 per cent of the apartments will be set aside for locals who are aged pensioners or older people not able to meet prevailing market prices," he said.

Mr Spencer said independent research by a range of experts in the field of aged care as well as Australian Bureau of Statistics figures clearly show that Australia must begin to prepare for a looming crisis in the availability of suitable living facilities for older people.

Retirement village repairs

Who pays for capital repairs and replacement?

Enquiries are often received about who should pay to fix or replace various items within a retirement village. This factsheet outlines the responsibilities of residents and operators in this area.

What is an 'item of capital'?

The Retirement Villages Act 1999 sets out who should pay to repair or replace what are called 'items of capital'. An item of capital is broadly defined to include most items found in a village. It includes:

- buildings and other structures
- plant, machinery or equipment
- items of infrastructure (eg roads)
- fixtures, such as stoves, hot water systems and carpets
- fittings, such as taps and lights
- furnishings (eg curtains, blinds)
- non-fixed items, such as tables and chairs.

Who pays to fix or replace an item of capital within a resident's unit?

From time to time an item within a unit, such as the hot water system or stove, may need to be repaired or replaced. Under the Act the resident concerned is not responsible for arranging or paying for the repairs or the replacement of the item. This applies despite what it may say in a contract entered into before the Act began.

Of course this rule does not apply to an item owned by the resident, such as a fridge or microwave they bring with them when they move in. Neither does it apply to items damaged by the resident or their visitors and guests, beyond normal fair wear and tear.

Who pays to repair or replace items of capital?

It depends initially on whether an item of capital needs to be repaired or replaced. If replacement is required it then depends on whether it is a fixed or non-fixed item. These various scenarios are discussed in detail below.

Replacing fixed items of capital

Under the new Act the operator must bear any costs of replacing fixed items of capital within the village. This includes fixed items of capital in the premises of residents. Examples of replacing fixed items of capital would include replacing carpets that have worn out or replacing hot water systems and stoves that no longer work.

The operator must arrange and pay for the replacement of fixed items out of its own funds. Money from the village's Capital Replacement Fund can be used if one exists. Statements of expenditure should not include an allowance for replacing fixed items, either directly or via depreciation. The only exception is where the operator does not charge any fee or ongoing contribution for a resident to gain entry to the village. In these few situations the ongoing recurrent charges paid by residents can still be used to fund capital replacement.

Replacing non-fixed items of capital

Non-fixed capital items include items such as a village bus, lawnmowers, tables, chairs, cabbies, computers, fans and curtains. The operator can use the recurrent charges paid by residents, or its own funds, to replace or purchase non-fixed items of capital.

IMPORTANT

This factsheet does not apply to common property within a strata retirement village.

QUICK TIP

The provisions of the Act that deal with this issue are sections 82 to 102.