

Apartments for Life at Ocean Street

The Social Model

May 2008

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Thank you very much for your proposal to build a retirement village to cater for low-income elderly people in Bondi. It is indeed the most important thing you have done for a long time.

As a low-income single woman who has rented studio apartments in the eastern suburbs for the last 30 years, I worry greatly about what will become of me in terms of housing when I retire. I cannot afford to buy a unit anywhere in Sydney and have rented bedsitters in the eastern suburbs because they are cheaper than rental houses anywhere else. In the process I've naturally become attached to the area.

If old people are pushed aside in this society - and they are – just think how much harder it will be if you are both old and poor and female. I have, as this is me 10-15 years from now once I retire. Thank you for your great work.

Local resident, details provided

1 Introduction

This document outlines the social objectives of the Apartments for Life at Ocean Street project and the benefits it will bring to the Waverley community.

2 About The Benevolent Society

The Benevolent Society is Australia's oldest charity. Established in 1813, the Society has been caring for Australians and their communities for nearly 200 years. We are a secular, non-profit, independent organisation working to bring about positive social change in response to community needs. Our purpose is to create caring and inclusive communities and a just society. The Society believes that building stronger communities will help reduce social and economic disadvantage.

Our services

We help the most vulnerable people in society: children, women, older people, carers and disadvantaged communities.

We provide services to more than 15,700 children and adults each year from 42 locations in NSW and Queensland. We support people of all backgrounds including indigenous Australians and people from culturally and linguistically diverse communities.

Our structure and finances

The Benevolent Society employs more than 800 paid staff and is supported by 900 volunteers. It has an independent Board.

Our revenue in 2008 is expected to be \$54 million. Just under two thirds comes from government to provide services. Other revenue comes from client fees (16%), investments (13%) and trusts, foundations and fundraising (7%).

Approximately 94 percent of our revenue is spent directly on our services. A further 2.9 percent is spent on social leadership and research activities.

Our history

We have a proud history of developing new services in response to community needs including:

- Australia's first maternity hospital, the Royal Hospital for Women in Paddington
- Pioneering district nursing in Australia
- The first baby health centre in Australia
- Arguing for the introduction of the old age pension.

Our services for older people

The Society provides a wide range of high quality services to older people and their family members. We aim to help older people live independently for as long

as possible as active members of the community, with dignity and respect. Our services include:

- community care services that help older people to stay living in their own homes and involved in their communities
- support to people who are looking after an older relative or friend
- specialised care to people with dementia
- residential care (nursing home and hostels)
- low cost retirement housing
- information to help people determine their own future care and financial arrangements
- services to promote the health and wellbeing of older women.

We have extensive experience in organising and coordinating care services for older people in their own homes, and for their family members who care for them. This ranges from assisting people who need one off low level care to those with chronic multiple health problems who need a lot of help to stay living at home. The Society has specialist expertise in assisting people with dementia, homeless older people and people in the last stages of life needing palliative care.

3 *The Benevolent Society in Waverley*

Since the mid 19th century, the Society has run a range of services in the eastern suburbs of Sydney. These have evolved over time in response to changing community needs. For example, in 1852 it established an 'asylum for destitute children' at Ormond House (now Juniper Hall) on Oxford Street in Paddington. At the beginning of the 20th century it built the Royal Hospital for Women in Paddington, which operated there until the 1990s.

Since 1917, the Society has been the responsible custodian and then owner of the Apartments for Life Ocean Street project site in Bondi. The Society acquired some parts of the site from the state government and purchased other parts. It acquired the main part, including Scarba House, in 1941.

The Society has run a number of different services on, or from, the site over the years including aged care and child care. Scarba Welfare House for Children operated between 1917 and 1986 providing short term residential care for 30,000 to 40,000 children aged 0 to 8.

The Society currently runs a number of services in the eastern suburbs (including in Waverley local government area) for children and families, older people, people with a disability and carers. These include:

- child protection services for families and children affected by abuse, early intervention and home visiting programs for vulnerable families, parenting programs, support and resources for individuals affected by adoption
- community care services, respite and information services for older people, veterans and people with a disability who need help to stay living at home, and for their carers

- leadership development programs, and community education to help build financial literacy.

Several of these services currently operate from offices on the Ocean Street site. These services will continue to be offered in eastern Sydney from other locations.

The Apartments for Life at Ocean Street project follows in a tradition of pioneering new services in response to community needs.

4 Background to project

The Society undertook a comprehensive review of the literature on ageing in Australia and overseas¹, and extensive consultation with a wide range of experts and stakeholders.

The proposed project draws particularly on the highly regarded 'Apartments for Life' model developed by the Humanitas Foundation in the Netherlands. Humanitas' Apartments for Life has been successful in providing housing, care and support to people in active older age, during frailty and ill-health and right up until the end of life, while at the same time enabling them to remain fully connected to the community.

The Benevolent Society has adapted the Humanitas concept for Australia and for the proposed location of this project in Bondi.

5 Rationale for project

Population ageing

Population ageing raises major opportunities as well as challenges for Australia. While population ageing need not be regarded as 'a crisis', it does require constructive planning to find solutions that will cater for the growing numbers of older people projected over the next 40 years, especially the much greater numbers of frail older people.

It is projected that the number of people aged 65 years and over will more than double over the next 30 years from 13% of the population or 2.7 million people, to about 24% of the population or 6.7 million people by 2036. Particularly high

¹ Key sources include:

Joseph Rowntree Foundation, UK (2006), Housing with care for later life: a literature review, and (2007)

Comparing models of housing with care for later life

Humanitas Foundation 'Apartments for Life' <http://www.woonzinnig.nl/engels/index.php3>

Australian Housing and Urban Research Institute (2004) Housing futures in an ageing Australia

Australian Housing and Urban Research Institute (2005) Ageing in Place: intergenerational and interfamilial transfers and shifts in later life

Australian Local Government Associations (2005) Age-friendly built environments: opportunities for local government

AARP (2005) Beyond 50.05 A Report to the Nation on Livable Communities: Creating Environments for Successful Aging

Shroeder-Butterfill E (2006) Understanding Vulnerabilities in Old Age, *Ageing and Society* 26, 2006, 3-8

growth rates are projected among people aged 85 years and over. Their numbers are projected to grow from 333,000 in 2006 to 1.1 million in 2036.²

These demographic changes have considerable social and economic implications for Australians of all ages.

Need for new approaches

In the context of these demographic changes, it is being increasingly recognised that there is a need to:

- encourage and value older people's participation in the community
- create communities that are more 'age-friendly'
- develop more and better models of housing and of care, particularly those that enable people to remain in their own homes and communities
- encourage people to be as self-reliant as possible
- develop more cost effective ways of providing care to frail older people.

Government policies focus mainly on encouraging older people to stay in their own homes for as long as possible with support from informal sources, largely family members, and from formal community services. This policy assumes that they have suitable and secure housing. However this is frequently not the case.

- There are limited housing options for older homeowners on low or moderate incomes who wish to stay in the same area. As their health and circumstances change, many find that their home no longer suits them - because of unsuitable design or location - but it is of insufficient value to enable them to trade down to more appropriate housing.
- There is a lack of secure, affordable and appropriate housing options for low income older renters who do not own a home. This group is extremely vulnerable.
- Unsuitable housing contributes to premature, expensive and unnecessary moves to a nursing home or hostel.
- Cost benefit analyses confirm that insecure tenure and dwelling type can increase care costs.³
- Unsuitable housing contributes to social isolation, for example, among people whose health is poor or who do not have access to transport. They are sometimes referred to as 'shut-ins'.

Most importantly, there is a strong preference among older people themselves for staying in their own home for as long as possible or, if they have to move, for staying in the same neighbourhood.

² Australian Institute of Health and Welfare, 2007, Older Australians at a Glance

³ Bridges C, Phibbs P, Kendig H, Matthews M and Cooper B (2008), The costs and benefits of using private housing as the home base for care for older people: secondary analysis, Australian Housing and Urban Research Institute

The importance of location and design

There is compelling evidence that strong social networks contribute greatly to better physical and mental health in older age. These networks of family, friends and familiar community resources (e.g. churches, doctors, shops) are not easily rebuilt if there is a move to retirement housing a long way from a person's home.

It is an even bigger problem if the new location is in an outer urban or regional area with limited services, especially a lack of public transport.

Modifications to the home (such as better lighting, grab rails and ramps) may all help a person keep their independence and stay in their home. However, modifications can be expensive and not all homes are suitable, especially if the premises are rented or up a flight of stairs.⁴

Insecurity and high costs are especially problematic for older renters. As the provision of public housing shrinks, and average rents continue to climb steeply in suburbs that are being gentrified, older renters can find themselves forced to move to regional or rural areas or to endure very substandard housing. Others may have to move into residential aged care earlier than they would otherwise require.

Other problems

There are a number of other weaknesses in Australia's system of support for older people.

- The system of health and care services is fragmented, inefficient and difficult to navigate. It means that older people with multiple and changing health problems do not always get the care they need.
- Demand for subsidised community care service outweighs supply and there can be delays in accessing services.
- Residential care is typically institutional in feel and does not encourage self reliance. To be financially viable, nursing homes and hostels generally have to be large, housing at least 120 people. Moving to residential care often means moving away from familiar surroundings and friends.
- There is little preventative care or early intervention – i.e. low key forms of support that can help people remain self reliant for longer.
- As communities become more fragmented, connections between people decrease and older people are at risk of losing not only their networks of support, but also opportunities to contribute to the community.

⁴ Bridges et al (2008)

- The supply of informal carers (family and friends) is under some threat as a result of the greater workforce participation of women, smaller families and greater rates of divorce.
- Major workforce shortages are projected in the health and welfare sectors due to lower birth rates, the retirement of the 'baby boomers' and other factors.
- Older people's housing has been a neglected area of social policy. There is no government funding available to encourage the development of new models of housing and care.

The Society believes that there is a crucial need for new approaches to ensuring the future wellbeing of Australia's older people.

The Society aims to make a significant contribution to the challenges of an ageing Australia, through this project, and one that can set a standard for programs elsewhere.

"My parents have lived all their life in this area, but moved out of Sydney a few years ago because they could no longer afford it. My father's health is starting to deteriorate and they would really like to be nearer to me so I can help care for him and my mother, but they can't see any way of moving back. They heard about your project and are very interested."

Bondi resident, details supplied

6 Key community issues in Waverley: Waverley Council's Social Plan

Waverley Council's Social Plan 2005-2010 describes the Waverley community's changing characteristics and concerns⁵. Significant features identified include:

- gentrification of the area pushing out more vulnerable segments of the community
- the high cost of housing, the decline in low cost rental housing
- an ageing population, with older people living longer and facing increased isolation
- the high proportion of people who live alone
- the diversity of the community.

Housing affordability is identified as a key community issue and appropriate and affordable housing seen as 'a prerequisite for retaining a diverse, inclusive and sustainable community'. Waverley Council is recognised as a leader among local government in developing policy, funding programs, partnerships and in using planning controls to support social and affordable housing.

⁵ Waverley Council Social Plan 2005 -2010 Volume 2 Chapters 2 and 3.

Planning implications⁶

The Plan identifies a range of key issues for local older people and the planning implications for Council that arise from them:

Planning implications for Council

- Promotion and support of strategies to improve the availability of accessible and adaptable housing to meet the needs of older and frail residents.
- Continued advocacy for aged care facilities and aged care support services
- Support local community organisations which address the needs of older people who are particularly disadvantaged by such factors as low income, insecure housing, social isolation
- Provide and promote healthy lifestyle options and address issues of social isolation
- Identify and encourage opportunities for older people to participate in volunteering and lifelong learning opportunities.

Council objectives

- Enable long term older residents of Waverley to remain living in and be connected to their community
- Facilitate local service coordination
- Improve older people's participation in the cultural, social and economic life of the community
- Improve older people's health and sense of wellbeing.

The Benevolent Society's own research has also noted the impact of gentrification in Waverley. This has created some particular social and financial pressures for its long-term residents, namely older people.

These pressures are particularly felt by low income older renters, and by low income home owners when declining health makes their housing unsuitable.

For owners, their home represents a significant potential asset, but one that can generally only be realised if they move out of the local area. This jeopardises their social networks and informal sources of support.

The type of housing stock – large numbers of walk-up blocks – also offers challenges for older people with poorer health and mobility. It also means that major modifications that could enable older people to remain living in their own homes may be impossible.

⁶ Waverley Council Social Plan, Vol 2, Chapter 6

Eighty percent of older households in Waverley are on lower incomes (at or below the 40th percentile for the area).⁷

7 The Project: A response to local needs

The Apartments for Life at Ocean Street Project is an innovative model of housing, care and support. It will enable older people to stay in their home until the end of life, maintain their independence and links with the local community and receive care in their home when needed.

It will directly address many of the issues identified by Council in its Social Plan. Apartments for Life at Ocean Street will enable:

- 95 percent of residents to stay in their home (an apartment) for the rest of their lives, with the support of community care services when needed
- Older people to stay in Waverley, close to family, friends and support services
- Older people to live in housing that is appropriate to their needs, and integrated with the community.
- Avoidance of social isolation.

"The Benevolent Society proposal to provide innovative affordable housing in Sydney's Eastern Suburbs brings Australian housing for older people into the 21st century and meets a growing local need for families in one of Sydney's older areas.

"The proposal draws on a highly regarded, well accepted and proven program."

Professor Tony Broe, Professor of Geriatric Medicine and Research
Gerontologist, University of New South Wales and Prince of Wales Medical
Research Institute

8 Key features of project

Key features of the project that support its social objectives include:

- Apartments built to high standards of **accessibility and adaptability** to maximise residents' independence and ability to stay in the same apartment to the end of life;
- All apartments to have enough space for a family member or friend to stay overnight to help care for an older resident who is sick or in declining health;

⁷ Randolph B (2007) The Potential Demand for Housing for Lower Income Older Households in Waverley: A Statistical Analysis, Report prepared for The Benevolent Society from ABS 2006 Census data.

- Care services provided or organised on a **community care** basis for people who need them;
- **Affordability** by local older people in a range of differing financial circumstances
 - 10 per cent of apartments will be rented to disadvantaged older people who do not own a home
 - in addition, 30 per cent of apartments will be for people who own property but cannot afford an entry payment at the full market price; they will need to demonstrate a connection with the Waverley area; these apartments will be subsidised by The Benevolent Society;
 - the entry payments of the remaining 60 per cent of apartments will be at market prices.
- The Society to retain ownership and manage the project on an ongoing basis, thus ensuring that affordability goals are sustained into the future;
- A **service coordinator** based on site to help people get the support and care they need when they need it;
- **Important services on site** including a café, a day centre for people with dementia, health professionals' rooms, space for health promotion and screening programs;
- A location close to local shops and services on Bondi Road and close to public transport;
- **Community facilities** on the site open for use by residents and the local community;
- A community development strategy to help build a vibrant community that is integrated with the surrounding community;
- Residents' **connections to the community** to be maintained and strengthened, achieved by offering them an appropriate housing option in the local area, and through a program of social activities;
- The site to be open and the local community encouraged to use and enjoy it;
- Common areas where residents, their friends, family and the broader community can meet, chat and spend time together;
- Support and activities on the site for residents who are less mobile and to combat social isolation;
- An research and evaluation strategy, so that lessons learnt can be shared with others.

Apartments will be offered on a loan-licence basis (apart from the 10% rental). This is the most common arrangement in retirement housing. Residents pay a capital entry payment and a weekly service fee. The entry payment is repaid (minus an agreed amount) to the resident, or their estate, when they leave or die. The Society has run retirement housing for many years and take its responsibility for protecting residents' funds very seriously.

The outcomes the Society is aiming achieve and how they will be achieved, are summarised in the diagram at Appendix 1.

“The aspect of The Benevolent Society initiative that is particularly impressive is the provision of well-designed affordable rental accommodation, not just the services and recreational facilities.”

Professor Peter Phibbs, Australian Housing and Urban Research Institute,

9 *Benefits for the Waverley community*

The project is about providing an environment where older people can live for the rest of their lives, receiving care and support when needed, staying connected with friends and family and remaining very much part of the community.

It will deliver major benefits to the people of Waverley. They include:

- A significant increase in the amount of housing designed for older people in the Waverley area.
- An increase in the amount of secure, low cost housing for older renters, addressing a critical social need and helping some of the most disadvantaged in the community.
- Making it possible for older people who own a home of modest value to stay in the local area and connected to Waverley.
- Providing frail older people with an equivalent alternative to residential aged care, thus increasing the total aged care available in Waverley.
- Filling a gap in community facilities in this part of Bondi.
- Café, exercise space, hobby and meeting rooms for use by local community groups and clubs for social, recreational, adult learning and physical activities.
- A day centre for people with dementia, to help relieve the strains on family carers and the demands on other local services.
- Space for health promotion and screening programs, for example, on falls prevention, arthritis and diabetes management.
- A community bus.
- Returning the heritage-listed Scarba House to its former glory and opening most of it up for community uses.
- An information, advice and referral service for local older people (site residents and people within walking distance) about services and sources of assistance.

- Local community development; strategies to help strengthen community networks, reach out to socially isolated older people, promote activities important to older people from varying cultural backgrounds, foster volunteer activity, build inter-generational projects (for example, involving children at Bondi Public School) and so on.

10 Benefits for an ageing Australia

Total Australian Government and state and territory recurrent government expenditure on aged care services is around \$8.6 billion a year⁸. Of this, expenditure on nursing home or hostels costs government around \$5.6 billion a year.

A key objective of the Apartments for Life at Ocean St Project is to reduce the chance of older people ever entering a nursing home or hostel. Our aim is that no more than 5 per cent of residents would ever need to move to a nursing home or hostel.

Achieving this objective will result in significant cost savings for the community. These savings will flow from:

- lower cost community care replacing higher cost nursing home and hostel care;
- lower time and petrol costs from reduced travel associated with clustered housing;
- greater self-reliance among residents and support from friends, neighbours and family members;
- avoidable hospitalisation reduced, resulting in cost savings to federal and state government and to individuals.

“The Society’s Apartments for Life concept has multiple other advantages, including opportunities for the freeing up of housing for younger families as older individuals and couples take up the Ocean Street style of accommodation.

“This would lead to a potential increase in the local government area rate base, but, vitally, the contribution of older people who have lived for a long time in that local government area would not be lost.

“All our evidence-based research shows that older people who move into aged-concentrated housing generally have improvements in quality of life and greater independence.

“This flows from moving into purpose-built accommodation based on universal design, with better wheelchair access and easier navigation of stairs plus other wellness facilities – features that are very hard and expensive to retro-fit to older buildings..”

Professor Hal Kendig, Research Network in Ageing Well, Sydney University

11 *The Benevolent Society's contribution*

The Benevolent Society has a history of pioneering new services in response to community needs. It is not undertaking this project to generate profits. It is doing so because of the crucial need for new approaches to ensuring the future wellbeing of older people and The Society's desire to make a major contribution to this.

The Society is convinced of the project's merits, its overall return to the community at large and its potential for providing a template for others to follow.

The Society is taking significant risks in developing this innovative project, one that few other organisations would take on.

- It does not expect to get a return on the value of the land. This is conservatively valued at \$12 m.
- In addition, the Society expects to carry a deficit of several million dollars for several years. The revenue from the first residents' capital entry payments will not cover the shortfall experienced in the early years of the project. The shortfall, including financing costs, is expected to be recovered as the project matures.
- The inclusion of affordable housing and addition of community facilities imposes considerable extra costs. The Society is committed to providing housing whose quality is not compromised but is still made available on subsidised terms.
- The project will generate a lower internal rate of return (IRR) than would be acceptable to private developers.
- While the Society will continue to explore sources of funding that may become available, there are currently no government grants or subsidies available to support retirement housing of this sort.

"All older Australians are entitled to adaptable, affordable and accessible housing options in their community.

"Innovative developments which can demonstrate they meet the wish lists of older people by combining the option to remain in their own home, with their ongoing welfare and well-being, have to be the way of the future.

"I will be following the development of the Apartments for Life project with great interest, and I commend The Benevolent Society on its well-researched initiative."

Kath Brewster, President, Council on the Ageing (NSW)

⁸ 2005–06 figures, Australian Institute of Health and Welfare.

“Australia needs to develop new models of accommodation and care for older people to meet the demands of an ageing population.

“I congratulate The Benevolent Society on its Apartments for Life initiative. The project is taking the best of overseas and local models to develop an innovative solution suited to its inner city location.

“The Society has been generous with its involvement of other providers, including Presbyterian Aged Care, as it has developed the concept. I am sure, once the development is completed, it will be a magnet for aged care operators in Australia and beyond to come and study.

“It is also notable that The Benevolent Society is committed to providing affordable housing for poorer older people as part of the project. This makes the project all the more essential in an area starved of affordable housing options.”

Paul Sadler, Chief Executive, Presbyterian Aged Care NSW and ACT

12 Local community involvement as the project develops

The community engagement process conducted with the local community over the last 18 months is described in detail in the Consultation Report that forms part of the DA.

In addition the Society has consulted with representatives of local older people's groups, both local and state-based, and has met with Waverley Seniors Advisory Committee to discuss the project.

If the project receives development consent, the Society will continue to engage with the local community. Some ideas of how this could occur include:

- the establishment of a project reference group, comprised of representatives of older people's organisations and other local stakeholders;
- discussions with local residents and community groups about possible involvement in, for example, aspects of the later design stages, the development of proposed community garden, planning the use of the meeting and other community spaces in Scarba House, the involvement of local artisans, establishment of the proposed men's shed.

Contact for further information

Barbara Squires,
General Manager Ageing
The Benevolent Society
P 02 9339 8071 E barbaras@bensoc.org.au

Appendix