



## **15 FRENCHMANS ROAD, RANDWICK**

### Aged Care Need Assessment

Prepared for SummitCare  
July 2020

# CONTENTS

<b>INTRODUCTION</b>	<b>2</b>
<b>EXECUTIVE SUMMARY</b>	<b>3</b>
<b>1 LOCATION AND PROPOSAL</b>	<b>7</b>
1.1. Regional Context	7
1.2. Local Context	11
1.3. Existing Site and Proposed Development	13
<b>2 CATCHMENT AREA ANALYSIS</b>	<b>15</b>
2.1. Catchment Definition	15
2.2. Catchment Area Population	17
2.3. Socio-economic Profile	19
2.4. Aged Residents Demographic	21
<b>3 AGED CARE POTENTIAL</b>	<b>26</b>
3.1. National Aged Care Overview and Benchmarks	26
3.2. Overview of Aged Care Facilities Within Catchment Area	29
3.2.1. Existing Aged Care Facilities	29
3.2.2. Future Aged Care Developments	29
3.2.3. Range of Services	35
3.2.4. Aged Care Quality and Survey Results	37
3.2.5. Composition and Pricing	39
3.2.6. Indicative Vacancy Rates	43
3.3. Residential Market	44
3.4. Factors Influencing Demand	47
3.5. Aged Care Penetration Rate	48
3.6. Catchment Area Aged Care Demand Analysis	51
<b>4 NEEDS ANALYSIS</b>	<b>55</b>
4.1. Supportability of Aged Care Facilities	55
4.2. Impacts	56
4.3. Employment	57
4.4. Net Community Benefits	59



# INTRODUCTION

This report presents an independent analysis of the need for a prospective, redeveloped aged care facility at 15 Frenchmans Road in Randwick. The assessment is structured and presented in **four (4)** sections as follows:

- **Section 1** provides an overview of the regional and local context of the Randwick site and an overview of the planned development scheme.
- **Section 2** details the current and projected population levels within a defined catchment area likely to be served by existing and proposed aged care facilities at the Randwick site. A summary of the socio-economic profile of the catchment population is also provided, as well as a more detailed review of the population aged 65 years and older.
- **Section 3** examines the potential for aged care facilities at the Randwick site, including a review of demand, as well as current and future facilities.
- **Section 4** outlines the needs analysis for the proposed aged care facility at Randwick, including possible impacts and benefits.



# EXECUTIVE SUMMARY

Key points to note regarding the potential for a redeveloped aged care facility at the Randwick site include: Key points to note regarding the potential for a redeveloped aged care facility at the Randwick site include:

- i. The subject site is located at 15 Frenchmans Road, Randwick and currently accommodates a 94-bed aged care facility. The proposed development at the site will provide high quality aged care facility with excellent amenity and services, comprising a total of 90 beds as well as two assisted living units on an upper level.
- ii. Based on discussions with SummitCare, as well as a review of existing resident data and other aged care facilities in metropolitan areas, a catchment area has been defined for proposed facility at Randwick, as outlined within Section 2 of this report. This catchment area reflects the core resident market from which existing and proposed facilities at Randwick are likely to draw from, accounting for a range of social, economic and cultural considerations.

## Supportability of Aged Care Facilities

- i. Based on the information outlined in this assessment, there is significant capacity for existing and additional aged care facilities within the Randwick catchment both now and over the long term. There is strong potential for aged care facilities at the subject site, based on the following:
  - **Site Location:** the high-profile location of the site in close proximity to key retail, community and health facilities would be a key attractor, as well as the desirable nature of the eastern suburbs for prospective residents.
  - **Significant and Growing Demand:** population growth, as well as the trend of ageing population is likely to add significantly to demand for aged care facilities, with a projected undersupply of some 2,275 places by 2036.
  - **Vacancy Rate:** a review of unused places across New South Wales highlights a low level of vacancy in the South East Sydney.
  - **Existing Performance:** given SummitCare are preparing to reinvest heavily into the subject site, this would generally indicate strong internal outlook for the future prospects of the facility and proposed development.



- **Existing Supply:** aged care facilities within the catchment area are limited in number (particularly in and around the suburb of Randwick) and characterised by relatively low vacancy rates.
  - **Quality of Competing Facilities:** a review of competing aged care facilities indicates that several are tired or old and are likely to require refurbishments/upgrades.
  - **Proposed Developments:** there is currently only two planned aged care developments across the defined catchment area. As outlined previously in Section 3.6, these developments will result in a net addition of 132 aged care beds, leading to a total provision of some 2,789 beds from 2026.
  - **Existing and Planned Site Composition:** the redeveloped subject site is likely to provide a point of difference as one of the most modern, best-in-class facilities in the region.
  - **Retention:** an enhanced, quality aged care facility would expand the reach of the subject site and promote the area as an idyllic location, thereby reducing the level of leakage occurring to competing facilities beyond the catchment area and Randwick LGA.
- ii. Based on the previous demand assessment in Section 3 of this report, at least 2,407 additional places could likely to be supported across the catchment area by 2036, not taking into consideration cannibalisation, leakage and changing penetration rates. This increased demand is projected to be met with an increase in supply of just 132 places in the short to medium term. Even assuming the market was currently at equilibrium (rather than the actual undersupply), a net additional 1,710 places will be demanded across the catchment area over the period to 2036.
- iii. Overall, it is considered that there is strong need and demand to support the proposed aged care redevelopment at the subject site to ensure a quality offer is provided to meet the demand of changing demographics.

## Impacts

- i. Impacts on other aged care facilities throughout the area would be well within the normal competitive range of less than 15%. Projected impacts from the proposed development would not threaten the viability or continued operation of any facility. Further, there would be no depletion or dilution in the range of services which are available to local residents.
- ii. The redevelopment of the subject aged care facility of 90 beds in the catchment area would actually represent a slightly decreased provision of 4 beds across the catchment area. In this sense it would not impact on any other facilities by way of increased capacity. Considering the subject development is an existing facility, current residents are likely to simply be 'transferred' to the new facility.
- iii. Further, demand for aged care facilities within the catchment area is projected to grow by some 85 aged care beds per year. In this respect, the entire Randwick development would represent around one year of aged care demand even if no places were currently provided on site.

## Net Community Benefits

i. It is the conclusion of this report that a substantial net community benefit would result from the development of the proposed SummitCare aged care and retirement living development at Randwick. Offsetting insignificant trading impacts on some existing facilities, there are very substantial positive impacts including the following:

- **Enhanced Range:** significant improvement in the range/quality of facilities that would be available to local residents in terms of services, choice and amenity.
- **Amenity & Vibrancy:** the proposed development would provide improved amenity, design and aesthetic for the local residents by way of a new and modern development. The revitalisation of the old and under-utilised site also improves enjoyment of private or public areas. Additional customer flows and vibrancy created through the precinct would positively impact on the other retail and non-retail facilities within the area.
- **Best in Class:** the project will be a best-in-class facility for the local area and be at the forefront of development within the sector.
- **Retention of Residents & Visitors:** the provision of enhanced facilities to an undersupplied catchment and high vacancy rates would result in the retention of residents (and visitors) currently relocating or frequenting other facilities beyond the region.
- **Employment, Income & Economic Activity:** the local community will experience direct impacts and benefits originating from construction and operation of the proposed development, including the creation of some 263 jobs as well as additional economic activity (revenue, cross-flows, visitation etc).
- **Third Place:** the development would provide the local community with additional facilities that would serve as a 'third place', or informal settings where people can meet or be comfortably alone while still engaging socially with the community. This provides additional opportunity for social integration and increases prospects of more seamless interactions between the community, which is important for health and wellbeing.
- **Community Aspirations:** the development also aligns with broader aspirations for the community, responding to core issues and reflecting a new positive vision/narrative for the area in several ways, including challenges presented in the *The Randwick City Plan*:

*"We continue to plan for an increasing number of older people, as indicated in our national demographic trends, and tackle social and income inequalities as part of a whole of*



*government approach. The provision of health and wellbeing information and access to community services by those in need of social support are also key areas of focus.”*

- ii. It is concluded that the combination of the substantial positive community and economic impacts serve to more than offset any minor trading impacts that may be anticipated from the redevelopment of the subject site.



# 1 LOCATION AND PROPOSAL

This section of the report reviews the regional and local context of the Randwick site and provides a summary of the planned development scheme.

## 1.1. Regional Context

- i. The established suburb of Randwick falls within the Randwick Council Local Government Area (LGA), approximately 5 km from the Sydney Central Business District (CBD) (refer Map 1.1).
- ii. Aged care services in Australia are funded and delivered in regions called Aged Care Planning Regions (ACPRs). Across Australia, there are some 73 ACPRs, with Randwick falling within the South East Sydney region of New South Wales (refer Map 1.2).
- iii. Randwick is easily accessible for both the wider and local region population, being connected by Anzac Parade which connects to the Eastern Distributor. The Eastern Distributor (M1) connects to the Sydney CBD as well as Sydney Airport.
- iv. The recently completed Light Rail line provides a connection from Anzac Parade and Alison Road to Central Station. In addition, frequent bus services including Routes 314, 316, 317, 348, and 400/400N pick up near the site, along Frenchmans Road, which provide access to the Sydney CBA as well as Bondi Junction (refer Figure 1.1).



MAP 1.1. RANDWICK REGIONAL CONTEXT

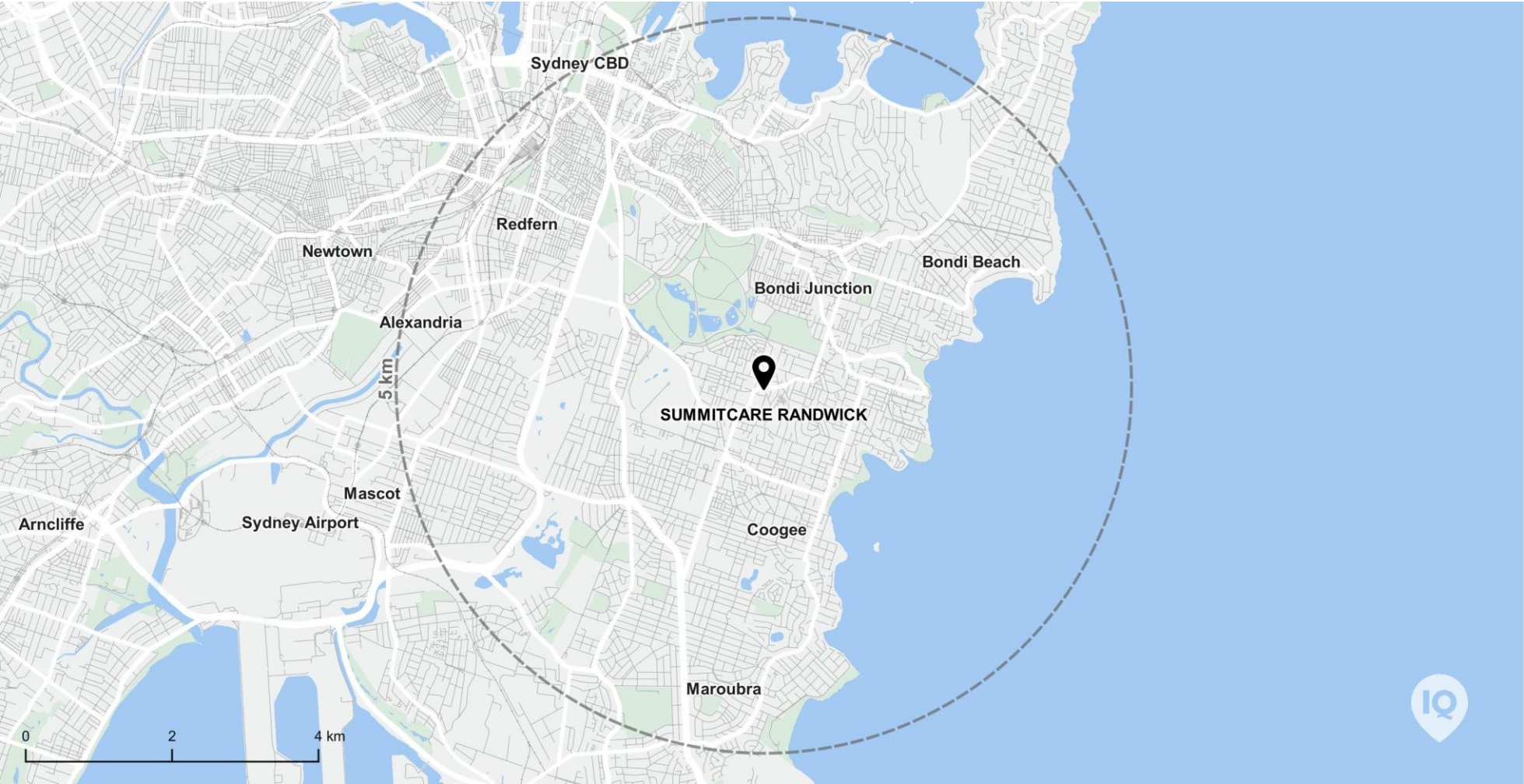
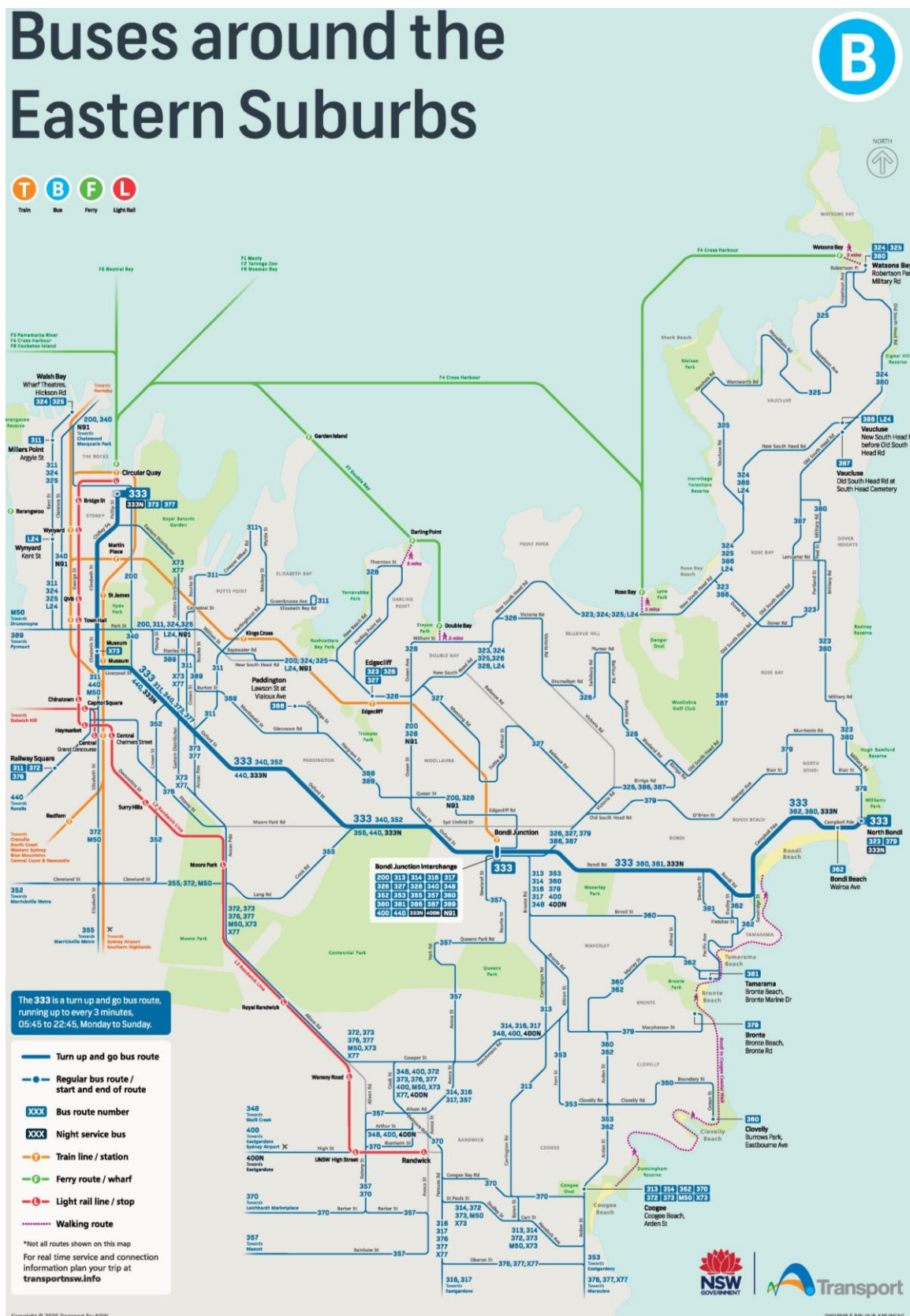
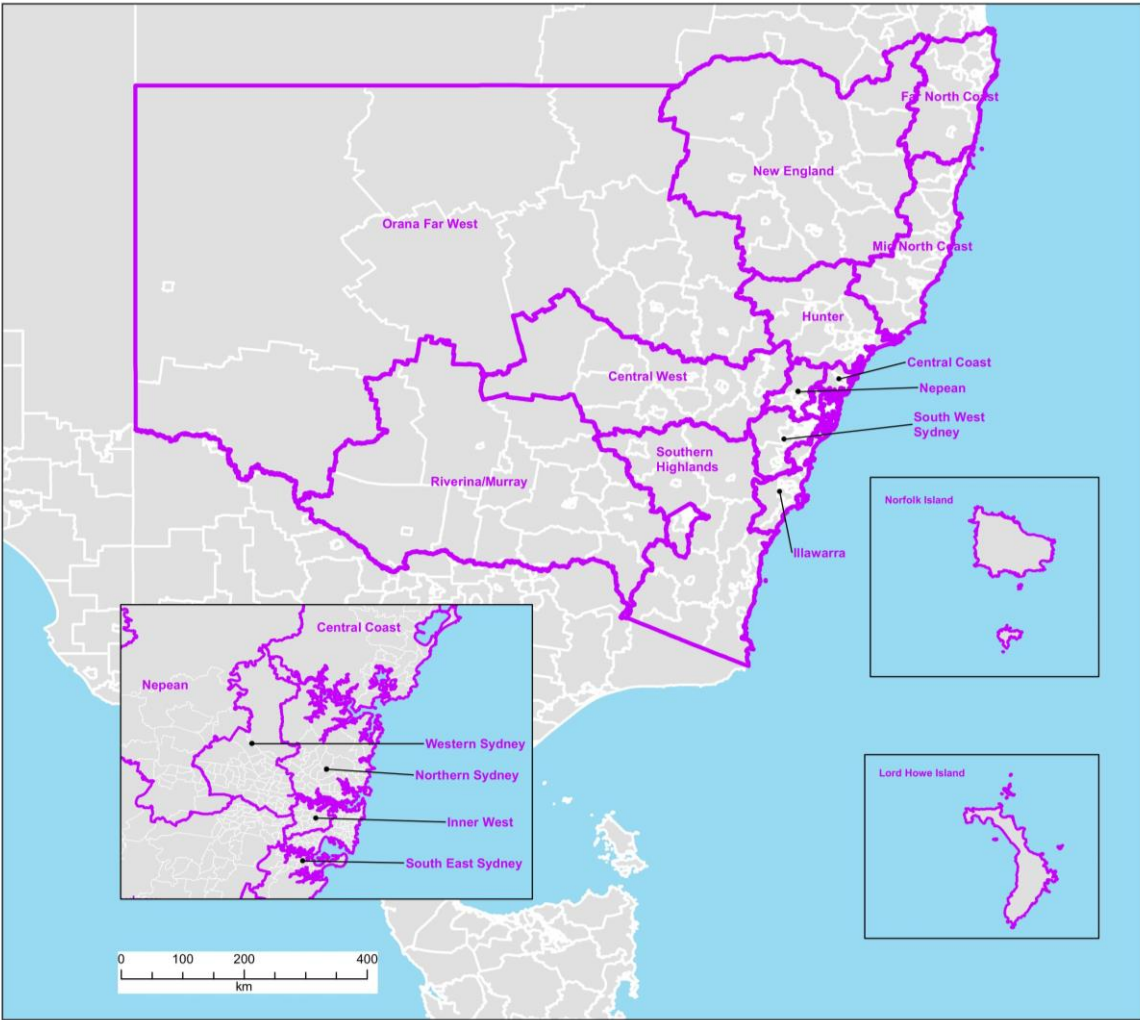


FIGURE 1.1. EASTERN SUBURBS BUS SERVICES



**MAP 1.2. METROPOLITAN NORTH PLANNING REGION (ACPR)**



**Australian Government**

**Department of Health**  
**Aged Care Planning**  
**Regions 2018**

**NEW SOUTH WALES**

The Aged Care Planning Region boundaries displayed became effective in April 2018. They are based on Statistical Area Level 2 (SA2) boundaries from the Australian Bureau of Statistics Australian Statistical Geography Standard (ASGS) 2016.



**Legend**

- Aged Care Planning Region 2018
- Statistical Area Level 2 (SA2)

This map has been produced to be viewed as  
A3 - Landscape.

© Commonwealth of Australia 2018

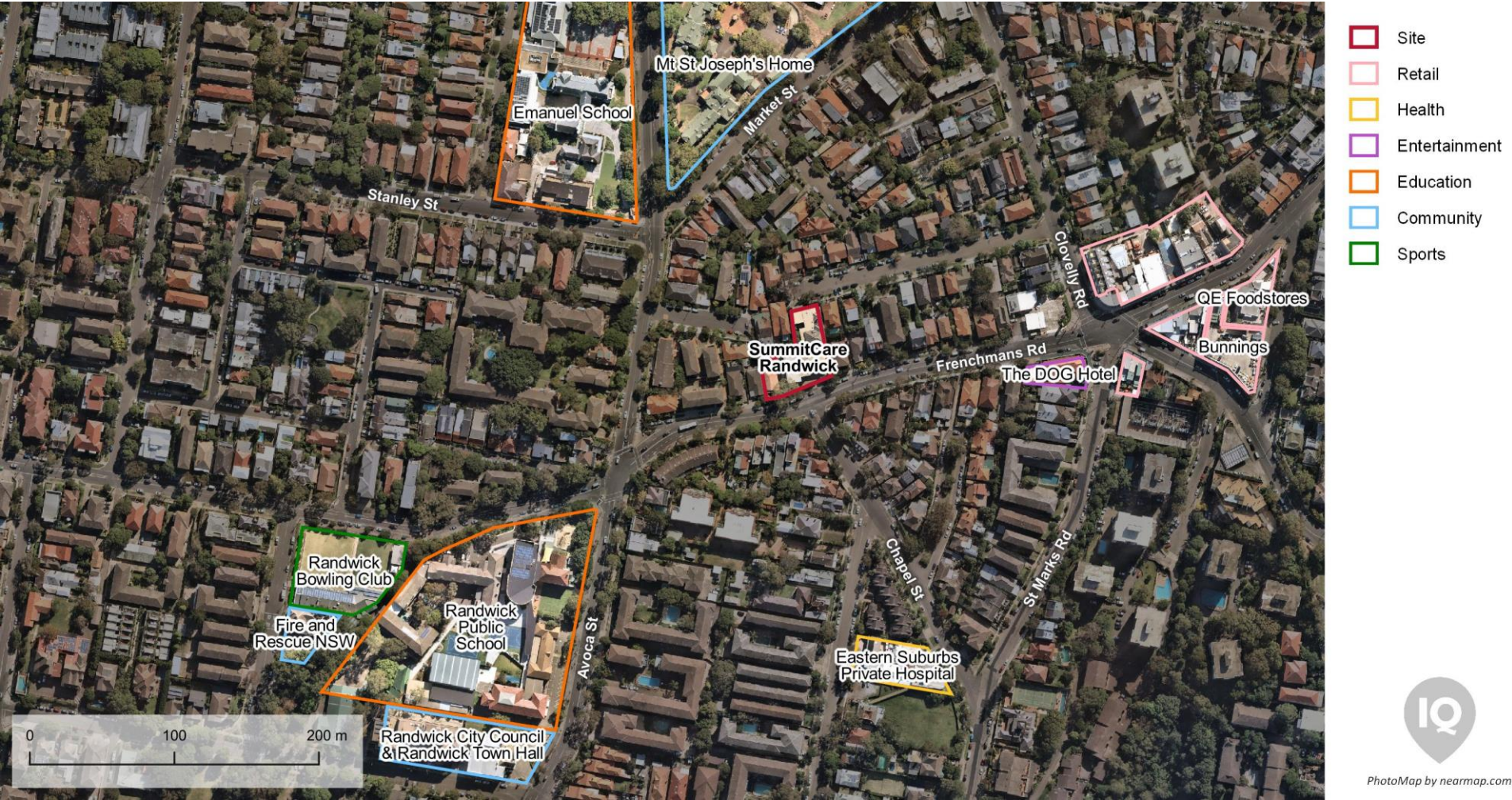




## 1.2. Local Context

- i. SummitCare currently operate an aged care facility at 15 Frenchmans Road in Randwick. The site is located on the northern side of Frenchmans Road, with Map 1.3 illustrating the local context of the site. Key points to note include:
  - The site is generally surrounded by residential dwellings.
  - A small provision of retail floorspace is located some 250 metres to east of the site which includes a focus on convenience facilities such as a QE Foodstore.
  - Randwick Public School is located on the south-western side of the intersection of Frenchmans Road and Avoca Street.
  - Emanuel School is also located near the Randwick site along with St Joseph's aged care home.
- ii. Overall, the subject site is situated in a high-profile location within an established residential area that is nearby to several community services. The site is easily accessible to the surrounding population given the location along Frenchmans Road.

MAP 1.3. RANDWICK LOCAL CONTEXT



### 1.3. Existing Site and Proposed Development

- i. The subject site is located at 15 Frenchmans Road, Randwick and currently accommodates a 94-bed aged care facility. The site totals 2,053 sq.m in size in an irregular shape, with the longest boundaries being to the south along Frenchmans Road.
- ii. The proposed development at the site will provide high quality aged care facility with excellent amenity and services, comprising a total of 90 beds, as well as two assisted living units on an upper level (refer Figure 1.2 and Table 1.1).
- iii. The development would be provided across four levels, in addition to two levels of basement car parking. The facility will maximise social interaction between residents, staff, visitors, and the wider community. The proposed components, design and level of integrated services/facilities at the subject development would be at the forefront of the aged care sector.

**TABLE 1.1. SUMMIT CARE RANDWICK INDICATIVE AGED CARE COMPOSITION**

Component	Total Units	GFA* (sq.m)	Parking (bays)
<b>Aged Care</b>			
Beds	88	6,122	20
Assisted Living	2	170	n.a.

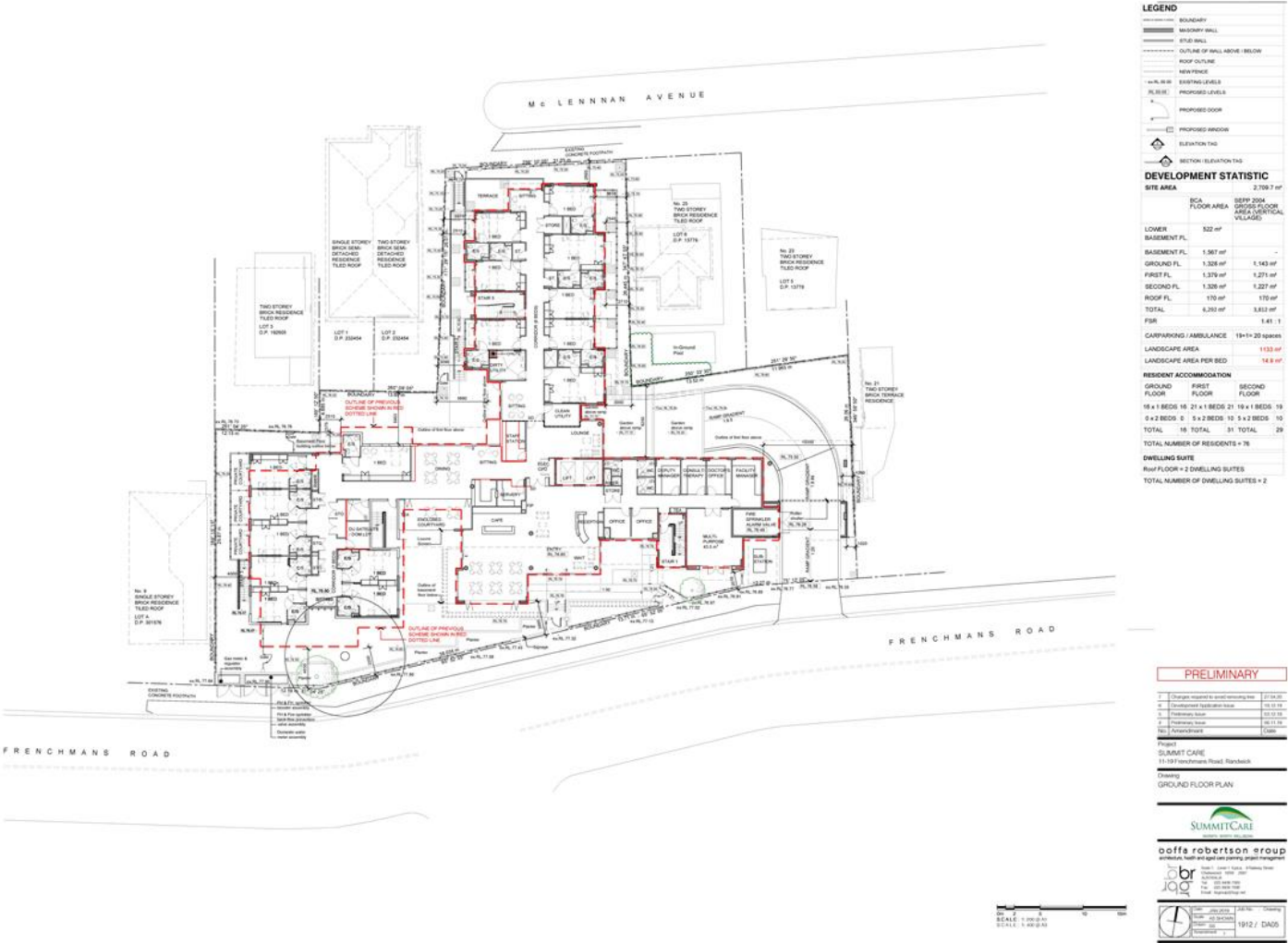
Source: SummitCare

Approximate\*





FIGURE 1.2. SUMMITCARE RANDWICK INDICATIVE GROUND FLOOR PLAN



## 2 CATCHMENT AREA ANALYSIS

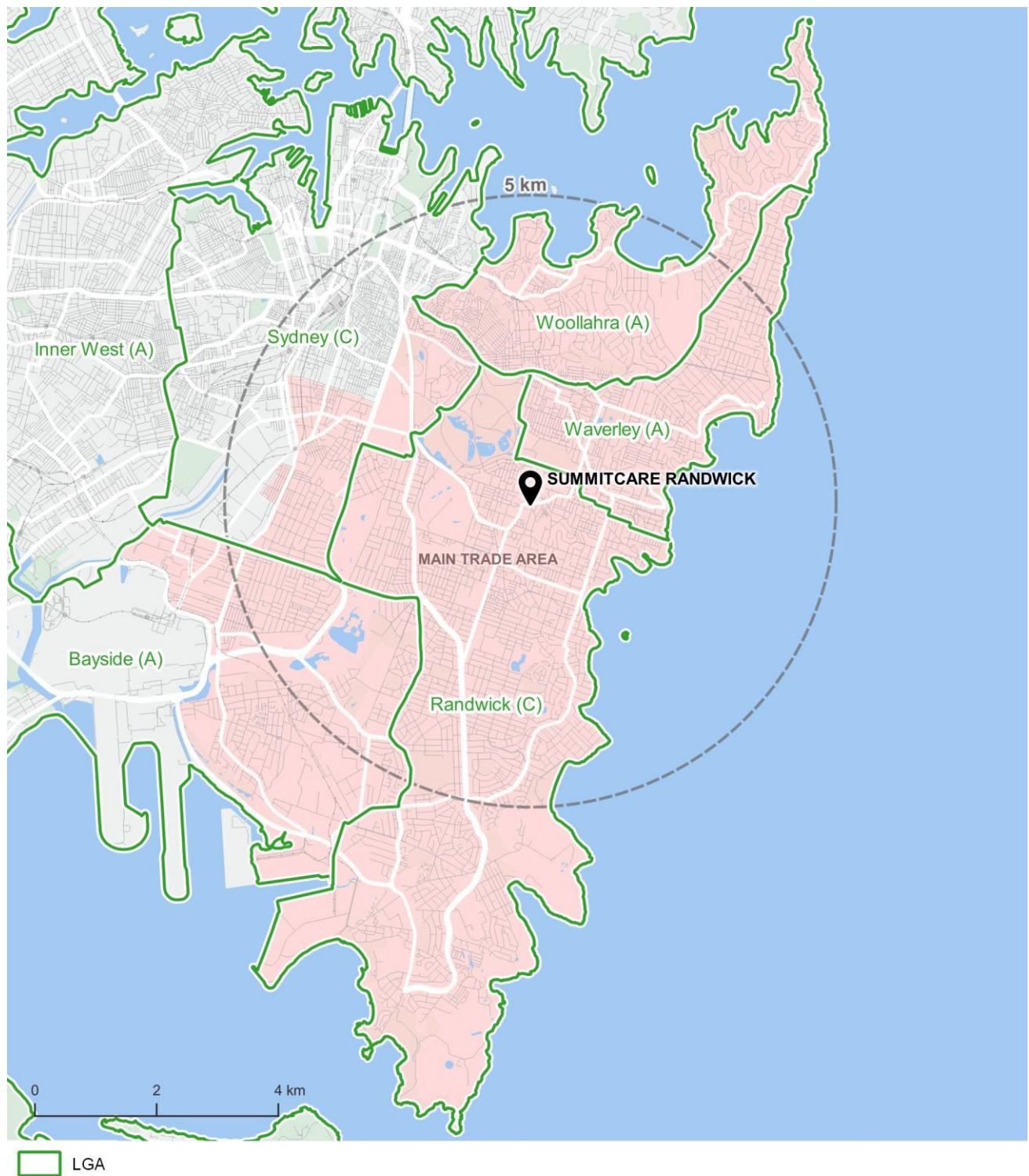
This section of the report provides a review of the catchment area served by the existing and proposed aged care facility at the Randwick site. A summary of the current and projected population levels and the socio-economic profile of the catchment area population is also provided, as well as a more detailed review of the population aged 65 years and older.

### 2.1. Catchment Definition

- i. Based on resident data (current residents of the SummitCare Randwick facility), discussions with SummitCare, and a review of other aged care facilities in metropolitan areas, the defined catchment area for the proposed SummitCare Randwick is illustrated in Map 2.1.
- ii. This catchment area reflects the core resident market from which the existing and future aged care facilities at Randwick draw from, accounting for a range of social, economic and cultural considerations.
- iii. The defined catchment includes the Randwick, Waverley, Woollahra and portions of Sydney and Bayside Local Government Areas (LGAs). The area is generally limited by Botany Road and Sydney Airport to the west and extends to the coastline in the east.



## MAP 2.1. RANDWICK CATCHMENT AREA



## 2.2. Catchment Area Population

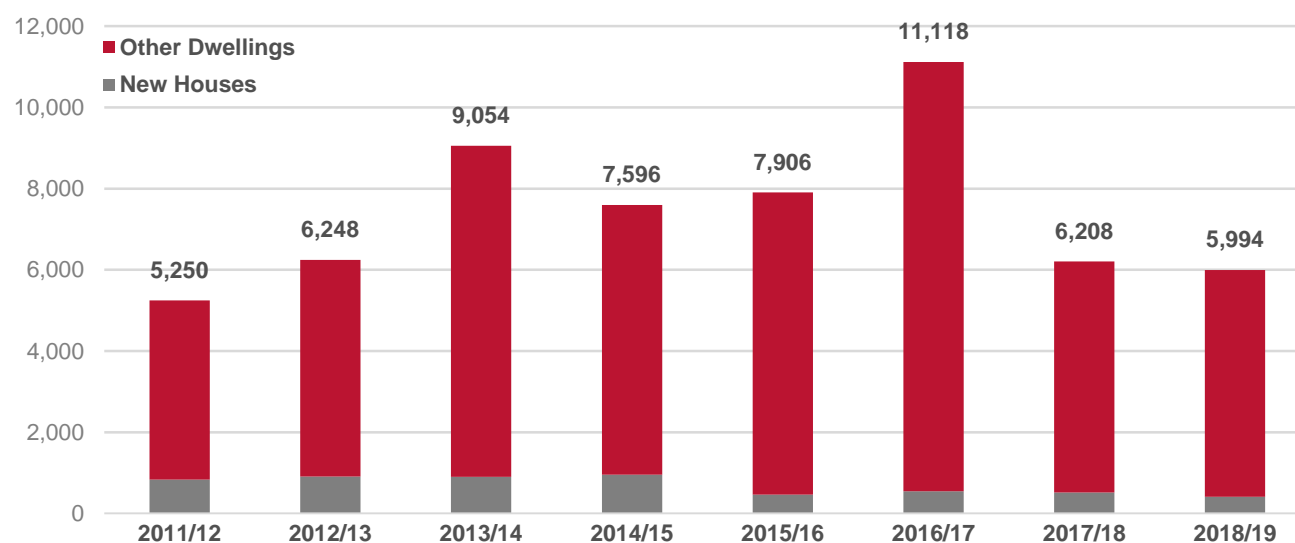
- i. Table 2.1 details the current and projected population levels for the catchment area, over the period to 2036, based on the following:
  - The 2011 and 2016 Census of Population and Housing undertaken by the Australian Bureau of Statistics.
  - New dwelling approvals statistics from the ABS from 2011/12 to 2018/19 (refer Chart 2.1). An average of 4,875 new dwellings were approved annually over this period.
  - Population projections prepared at the Small Area Forecast Information (SAFi) level by Forecast.id.
  - NSW Department of Planning forecasts prepared at an LGA level (2019).
  - Official projections from the Australian Institute of Health and Welfare (2019).
  - Investigations by this office into new residential developments in the area.
- ii. The Randwick catchment area population is currently estimated at 403,740 (2020), having increased from 332,390 persons as at the 2011 Census. Future population growth throughout the catchment area is likely to be driven by several significant multi-unit developments, with the largest to include the following:
  - Meriton are currently in the process of constructing a total of some 3,000 units at Pagewood (immediately adjacent to Westfield Eastgardens). The project, known as Pagewood Green, is assumed to be completed by 2026.
  - Meriton is planning to build some 1,900 units at Little Bay. It is understood that Meriton purchased the 12 hectare site in 2017. It is assumed that first residents will occupy the site from 2026.
- iii. The catchment area population is projected to increase to 472,240 by 2036, representing an average annual growth rate of 1.0%, or some 4,280 persons. This projection is based on volume of multi-unit development and is generally in-line with various official projections.

**TABLE 2.1. CATCHMENT AREA POPULATION, 2011 – 2036**

Population	Actual		2020	2021	Forecast		
	2011	2016			2026	2031	2036
Catchment Area	332,390	371,740	403,740	409,740	434,740	454,740	472,240
Average Annual Change (No.)	Actual		2016-20	2020-21	Forecast		
	2011-16				2021-26	2026-31	2031-36
Catchment Area		7,870	8,000	6,000	5,000	4,000	3,500
Average Annual Change (%)	Actual		2016-20	2020-21	Forecast		
	2011-16				2021-26	2026-31	2031-36
Catchment Area		2.3%	2.1%	1.5%	1.2%	0.9%	0.8%
Syd Metro		1.9%	1.5%	1.5%	1.3%	1.2%	1.0%
Australian Average		1.7%	1.4%	1.4%	1.4%	1.3%	1.2%

All figures as at June and based on 2016 SA1 boundary definition.

Sources : ABS; Planning NSW

**CHART 2.1. CATCHMENT AREA NEW DWELLING APPROVALS, 2011/12 – 2018/19**

Source: ABS

## 2.3. Socio-economic Profile

- i. Table 2.2 details the socio-economic profile of the Randwick catchment area population as compared with the Sydney metropolitan and Australian benchmarks. This information is sourced from the 2016 Census of Population and Housing which is undertaken by the ABS.
- ii. Key points to note regarding the socio-economic profile of the Randwick catchment area population include:
  - Average per capita and household income levels are significantly higher than the Sydney and Australian benchmarks.
  - The average age of residents (37.6 years) is in line with the benchmarks.
  - The proportion of overseas born residents within the catchment area (43.6%) is higher than the Sydney (38.1%) benchmark. Across Australia, around 1 in 3 persons in residential aged care was born overseas.
  - The household structure of trade area residents generally comprises a lower proportion of traditional families (couples with dependent children) and a high proportion of couples without children as compared with the Sydney benchmark.
- iii. Table 2.3 provides a summary of the change in the socio-economic profile of the catchment area population between the 2011 and 2016 Census, as compared with the Sydney metropolitan benchmark. Key points to note include:
  - Per capita and household income levels increased at a faster rate than the benchmark.
  - The average age of residents decreased slightly, compared to the benchmark which experienced an increase.
  - The proportion of overseas-born residents within the catchment area increased slightly, generally in-line with the benchmark.
  - The proportion of households consisting of couples with dependent children (i.e. traditional family households) increased.

**TABLE 2.2. CATCHMENT AREA SOCIO-ECONOMIC PROFILE, 2016 CENSUS**

Characteristic	Catchment Area	Syd Metro Average	Aust Average
<b>Income Levels</b>			
Average Per Capita Income	\$56,623	\$42,036	\$38,500
Per Capita Income Variation	34.7%	n.a.	n.a.
Average Household Income	\$134,738	\$115,062	\$98,486
Household Income Variation	17.1%	n.a.	n.a.
Average Household Size	2.4	2.7	2.6
<b>Age Distribution (% of Pop'n)</b>			
Aged 0-14	14.6%	18.1%	18.0%
Aged 15-19	5.2%	6.0%	6.1%
Aged 20-29	19.6%	15.1%	13.9%
Aged 30-39	18.8%	15.7%	14.1%
Aged 40-49	13.5%	13.9%	13.7%
Aged 50-59	10.6%	12.3%	12.9%
Aged 60+	17.7%	19.0%	21.3%
Average Age	37.6	37.8	38.9
<b>Housing Status (% of H'holds)</b>			
Owner/Purchaser	51.5%	64.7%	67.9%
Renter	48.5%	35.3%	32.1%
<b>Birthplace (% of Pop'n)</b>			
Australian Born	56.4%	61.9%	72.9%
Overseas Born	43.6%	38.1%	27.1%
• Asia	15.4%	18.6%	10.7%
• Europe	12.3%	7.7%	8.0%
• Other	15.9%	11.8%	8.4%
<b>Family Type (% of Pop'n)</b>			
Couple with dep't children	43.1%	48.8%	45.2%
Couple with non-dep't child.	6.3%	9.2%	7.8%
Couple without children	25.5%	20.2%	23.0%
Single with dep't child.	6.3%	8.0%	8.9%
Single with non-dep't child.	3.6%	4.1%	3.7%
Other family	1.8%	1.2%	1.1%
Lone person	13.4%	8.5%	10.2%

Sources: ABS Census of Population and Housing 2016



**TABLE 2.3. SOCIO-ECONOMIC PROFILE KEY CHANGES, 2011 – 2016**

Characteristic	Catchment Area			Syd Metro		
	2011	2016	Change (%)	2011	2016	Change (%)
<b>Income Levels</b>						
Average Per Capita Income	\$48,672	\$56,623	16.3%	\$36,941	\$42,036	13.8%
Average Household Income	\$114,635	\$134,738	17.5%	\$99,586	\$115,062	15.5%
<b>Age</b>						
Average Age	37.9	37.6	-0.6%	37.2	37.8	1.8%
<b>Birthplace (% of Pop'n)</b>						
Australian Born	58.0%	56.4%	-1.6%	63.7%	61.9%	-1.7%
Overseas Born	42.0%	43.6%	1.6%	36.3%	38.1%	1.7%
<b>Household Size &amp; Structure</b>						
Average Household Size	2.4	2.4	1.0%	2.7	2.7	1.5%
Couple with dep't children	42.0%	43.1%	1.1%	48.2%	48.8%	0.6%
<b>Housing Status (% of H'holds)</b>						
Owner/Purchaser	54.1%	51.5%	-2.7%	67.4%	64.7%	-2.7%
Renter	45.9%	48.5%	2.7%	32.6%	35.3%	2.7%

Source: ABS Census of Population and Housing 2011 & 2016

## 2.4. Aged Residents Demographic

- i. The resident population aged 65 years and older is generally considered to be the most relevant age group for prospective aged care and independent living facilities.
- ii. Table 2.4 provides a timeseries snapshot of aged persons (65 years and older) throughout the Randwick, Waverley and Woollahra Local Government Areas as at the 2006, 2011 and 2016 Census'. Key points to note are as follows:
  - A total of 31,741 persons were aged 65 years and older as at the 2006 Census, with this figure having grown by 30.0% to 37,529 persons in 2016.
  - The proportion of total residents that were aged 65 years and older also increased, from 13.8% in 2006 to 14.3% in 2016.
  - The proportion of aged persons requiring assistance for core need activities has increased from 15.5% in 2006, to 16.1% in 2016. Some 6,048 LGA residents aged 65 years and older required assistance as at the 2016 Census.

- iii. Map 2.2 highlights the location of residents aged 65 years and older throughout the catchment area and the broader region. As shown, the eastern suburbs of Sydney comprise several concentrated pockets of older persons, generally spread throughout the defined catchment area.
- iv. Map 2.3 illustrates the location and density (by SA2) of residents aged 65 years and older that are recipients of the Age Pension. To be eligible for the Age Pension, persons must meet certain criteria, including key factors such as:
- **Age:** from 1 July 2017 age pension age was 65 years and 6 months, then increasing by six months every 2 years until 1 July 2023.
  - **Residency:** on the day you claim Age Pension you must be an Australian resident and be in Australia.
  - **Income and Assets Test:** the pension will reduce by 50 cents for every dollar of income over \$172 per fortnight (for singles) or \$304 per fortnight (for couples). Similarly, property or other owned items can affect pension payments.
- v. As shown, there is a high concentration of Age Pension recipients throughout the southern portion of the catchment area, specifically in Maroubra and Mascot.
- vi. In summary, there is a growing number of elderly residents aged 65 years and older throughout the region who will likely require aged care services now and in the future. Of particular note is the growth in residents aged 85 years or older, who are significantly more likely to require aged care facilities. This reflects the general trend of an ageing population across Australia.



**TABLE 2.4. TIME SERIES PROFILE OF RESIDENTS AGED 65+, 2006 – 2016**

Metric	2006 Census (no.) (%)		2011 Census (no.) (%)		2016 Census (no.) (%)	
Age Brackets						
65-69 years	7,944	25.0%	9,149	27.7%	11,063	29.5%
70-74 years	6,703	21.1%	7,209	21.8%	8,609	22.9%
75-79 years	6,566	20.7%	5,709	17.3%	6,620	17.6%
80-84 years	5,689	17.9%	5,232	15.9%	4,944	13.2%
85 years and over	<u>4,839</u>	<u>15.2%</u>	<u>5,708</u>	<u>17.3%</u>	<u>6,293</u>	<u>16.8%</u>
Total Persons Aged 65+	31,741	100%	33,007	100.0%	37,529	100.0%
Total Persons	230,757	13.8%	244,631	13.5%	261,712	14.3%
Marital Status of Residents Aged 65+						
Married	15,515	48.9%	16,387	49.6%	19,010	50.7%
Separated	702	2.2%	821	2.5%	1,047	2.8%
Divorced	3,006	9.5%	3,841	11.6%	5,148	13.7%
Widowed	9,238	29.1%	8,558	25.9%	8,219	21.9%
Never married	3,252	10.2%	3,446	10.4%	4,124	11.0%
Religious Affiliation of Residents Aged 65+						
Christianity	6,126	19.3%	6,006	18.2%	5,636	15.0%
• Churches of Christ	20	0.1%	14	0.0%	8	0.0%
Core Activity Need for Assistance for Residents Aged 65+						
Need for Assistance	4,914	15.5%	5,357	16.2%	6,048	16.1%
Does Not Have Need for Assistance	23,117	72.8%	24,486	74.2%	27,498	73.3%
Not Stated	3,730	11.8%	3,137	9.5%	3,954	10.5%

Higher than previous Census

Lower than previous Census

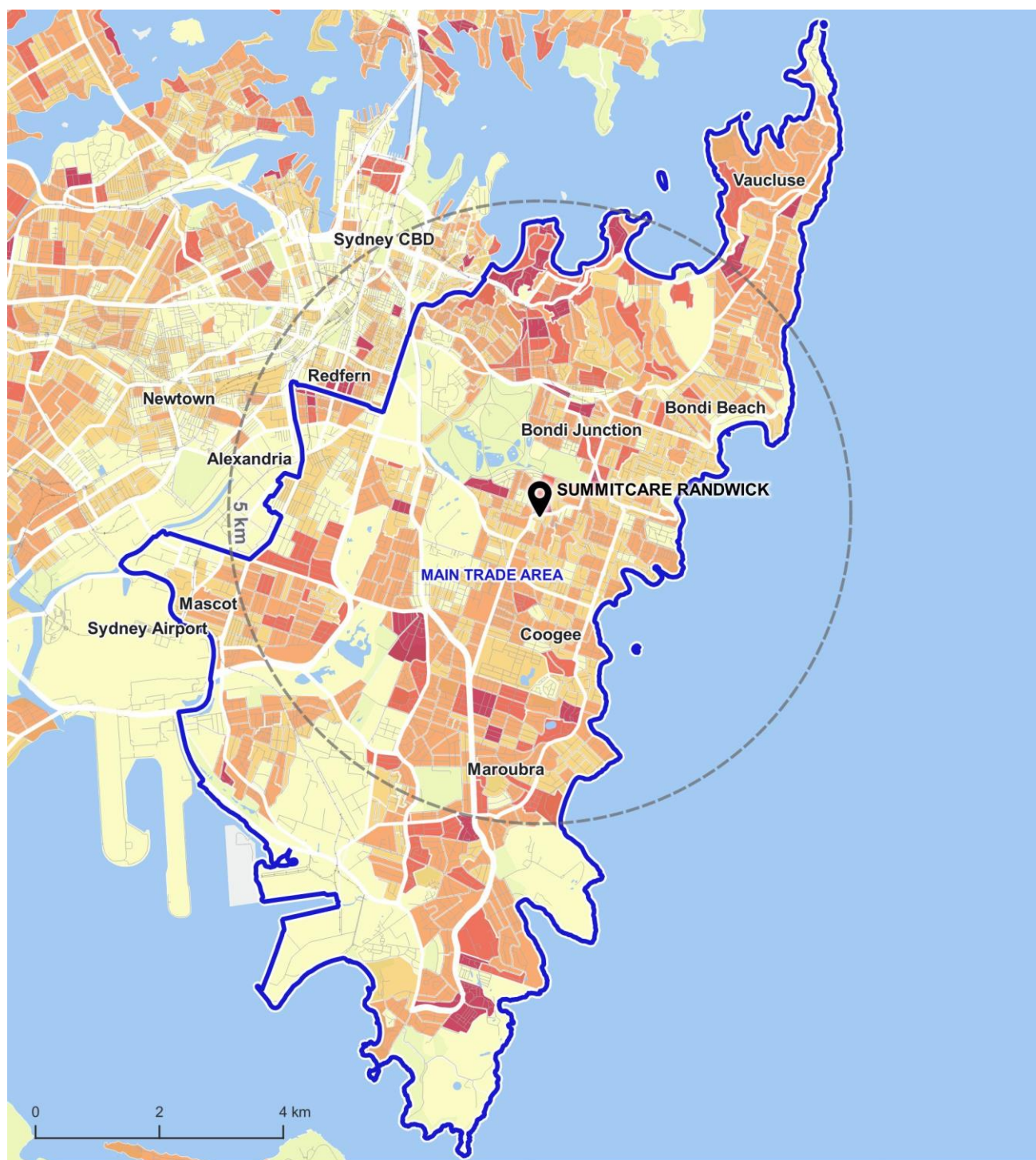
Randwick, Waverley, Wollahra LGA's

Source: ABS 2016 Census of Population and Housing - Time Series Profile (Catalogue number 2003.0)

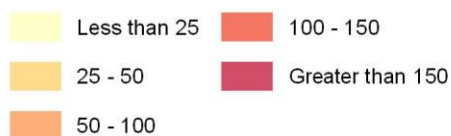




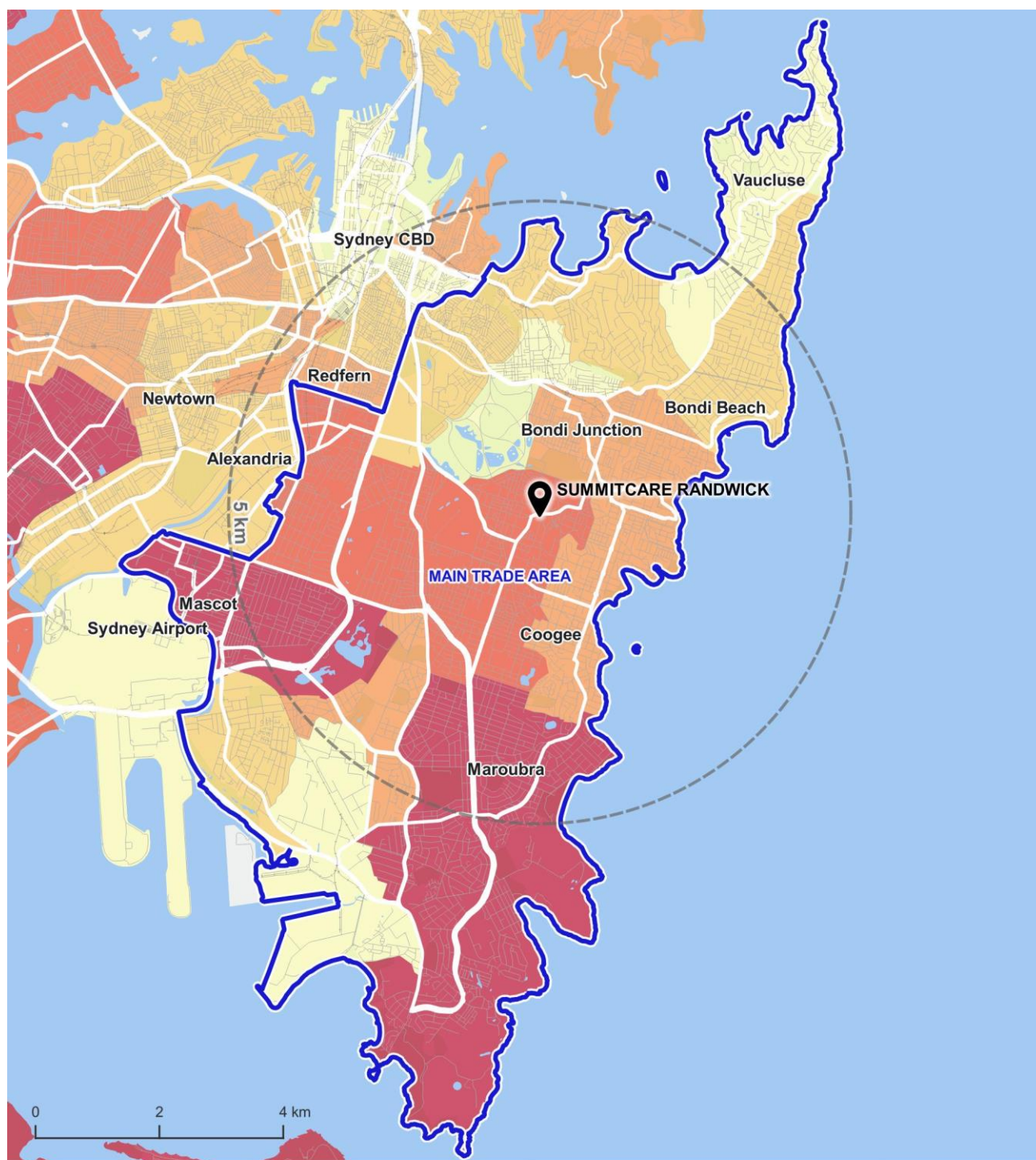
## MAP 2.2. RESIDENTS AGED 65 YEARS AND OLDER



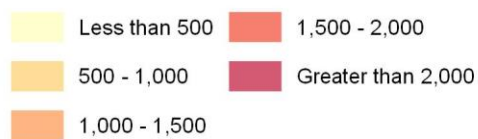
**Total Number of Residents Aged 65+ by SA1**



**MAP 2.3. RESIDENTS AGED 65 YEARS AND OLDER RECEIVING AGE PENSION**



**Residents on Aged Care Pension by SA2**



# 3 AGED CARE POTENTIAL

This section of the report considers the potential for the proposed aged care component of the Randwick development. Residential aged care is a service for older people that can no longer live at home without assistance due to illness, disability, bereavement, emergency or other needs.

## 3.1. National Aged Care Overview and Benchmarks

- i. The aged care sector in Australia generates annual revenue of \$22 billion, representing around 1% of Gross Domestic Product (GDP).
- ii. Federal Government funding for aged care services reached \$17.1 billion in 2016/17, of which \$11.9 billion was for residential care. Total government expenditure is expected to increase to \$22.2 billion by 2020/21.
- iii. The number of people entering aged care services has increased rapidly over the past decade. In 2007/08 some 164,000 people entered residential aged care, home care or transition care, while in 2017/18 this figure has increased to over 215,000 people (i.e. a 31.1% increase). Of this, some 207,142 people are in permanent residential aged care, across 2,695 facilities that are operated by more than 900 approved providers. Not-for-profit organisations make up some 58% of these providers.
- iv. The average number of places per aged care facility across Australia, at 80, which is in-line with the South East Sydney region (82) benchmark. Private residential care places are more likely to be larger in size, while not-for-profit and government facilities tend to be smaller.
- v. Table 3.1 provides a comparison between the reported performance of three large, private aged care providers (Japara Healthcare, Regis and Estia Health), as well as regional, state and national benchmarks. Key points to note include:
  - Each of the major operators has at least 48 facilities, with a combined average of 96 places per location. Across Australia, more than half of the private-run placements formed part of 100+ bed facilities.



- The average occupancy across the three providers is currently around 93%, which is in-line with the South East Sydney (88.2%), New South Wales (89.2%) and Australian (89.4%) benchmarks.
  - Aged care accommodation pricing is not based on care requirements, but generally dependent on the overall quality/standard of a facility. Since key reforms were introduced in 2014, Daily Accommodation Payments (DAP) have become more common, as compared with Refundable Accommodation Deposits (RAD). Pre-reform, the ratio of RAD to DAP was around 90%, but has fallen to around 60%. The three major operators detailed in Table 3.1 each sit at or below this national benchmark (60%).
  - Based on the 2019 Aged Care Financial Performance Survey by Stewart Brown, there was a slight increase in aged care pricing during 2018/19 across Australia, with the average Full Refundable Accommodation Deposit growing by \$15,790 over the period, to \$402,384. Across New South Wales, the average Full RAD increased from \$390,558 in 2017/18, to \$410,668 in 2018/19.
- vi. Perhaps the most significant trend across aged care facilities has been the focus on ageing in place. Since 2014, all permanent residential aged care has been provided on this basis, with residents having the right to indefinite accommodation, where the level of care and service adapts with their changing needs. This signalled a move away from previous high and low care distinctions.
  - vii. Further, aged persons are beginning to experience a generational shift as aged persons transition from the 'builder' generation (1925-1946) to the 'baby boomer' generation (1945-1964). The 'builder' generation lived through the Great Depression and World War II, while 'baby boomers' experienced times of general economic prosperity.
  - viii. The differences in life experiences is likely to shape the future preferences of aged residents as baby boomers typically have a higher median net worth than builders and thus, are more willing to use the extra money to achieve lifestyle aspirations. In this respect, baby boomers have greater expectations of quality of facilities and services.
  - ix. Chart 3.1 provides an illustration of the projected generational shift across the Randwick catchment area over time. As shown, builders currently make the largest component of the population of residents aged over 65 years, however, will be increasingly be made up of baby boomers over the medium to long term.

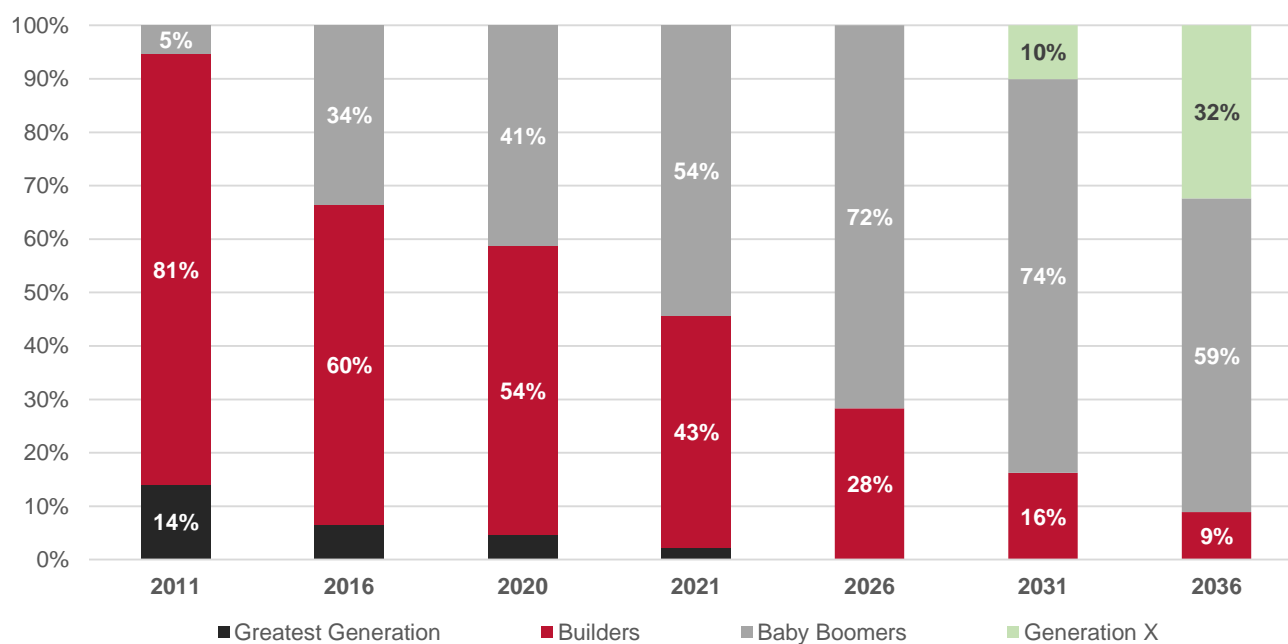
**TABLE 3.1. AGED CARE BENCHMARKS SNAPSHOT**

Metric	2019 Annual Reports			SE Sydney	2019 Benchmarks	
	Japara	Regis	Estia		NSW	Australia
Portfolio						
Facilities	49	63	69	105	246	2,718
Operating Places	4,235	7,078	6,102	8,638	18,345	217,067
Average Places per Home	86	112	88	82	75	80
Average Occupancy	93.0%	92.7%	93.6%	88.2%	89.2%	89.4%
Payment Type						
RAD payers	55.3%*	45.8%**	60.6%**	-	-	29.0%
DAP payers	27.0%	10.0%**	22.2%**	-	-	47.0%
Combination	17.6%	42.0%**	17.3%**	-	-	24.0%

\* 2018 Figure, \*\*2017 Figure; \*\*\* 2016 Figure

Source: Annual Reports, Colliers Aged Care Financial Review, Stewart Brown

**CHART 3.1. CATCHMENT AREA GENERATIONAL SHIFT (65+ YEARS)**



## 3.2. Overview of Aged Care Facilities Within Catchment Area

### 3.2.1. Existing Aged Care Facilities

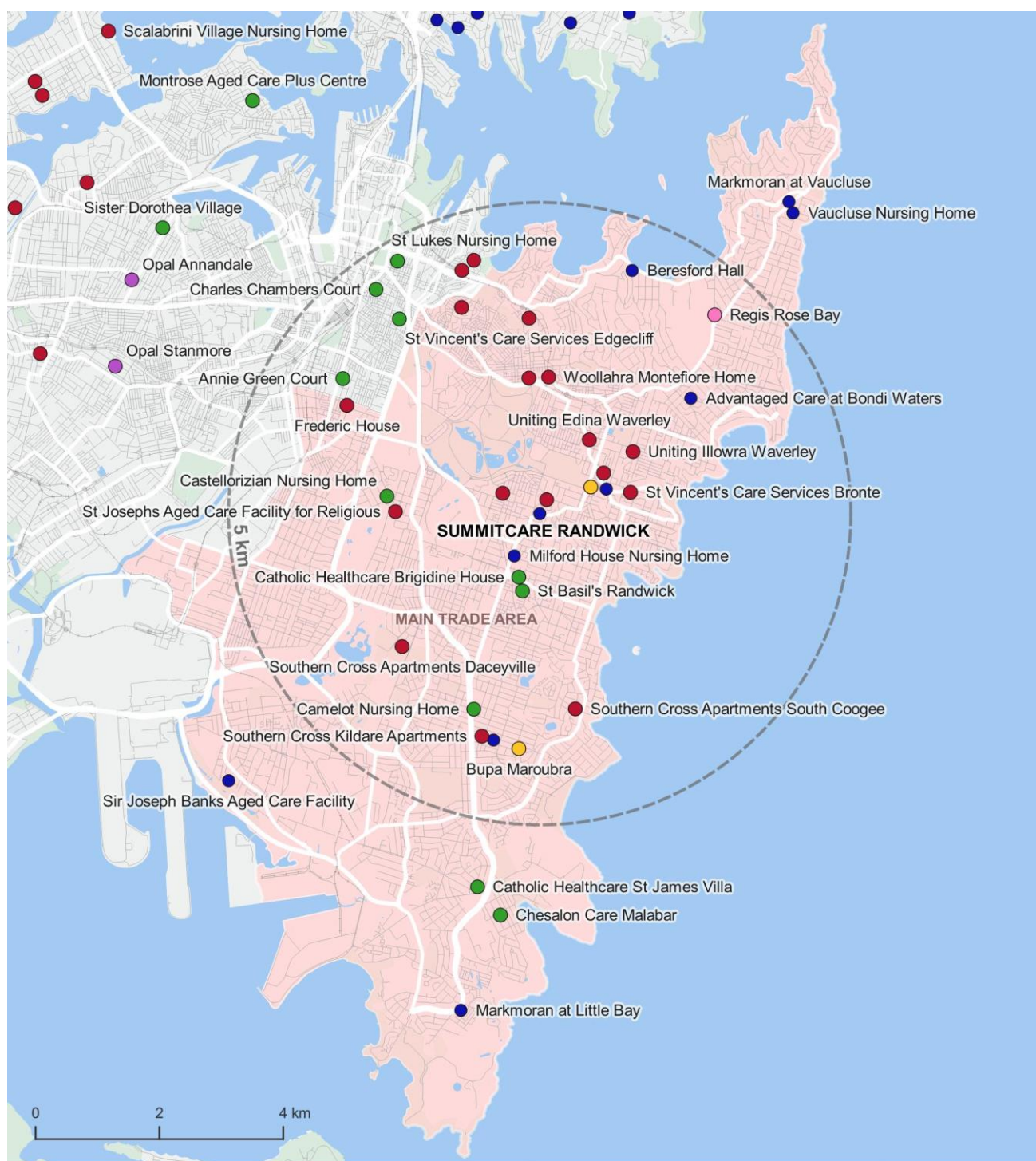
- i. Map 3.1 and Table 3.2 provide a high-level overview of existing aged care facilities within the Randwick catchment area. As shown, there are currently a total of 34 facilities, comprising a combined 2,657 places, or an average of 78 places per facility.
- ii. Southern Cross Care and Uniting are the larger operators within the region, each operating three sites. Other major operators include Catholic Healthcare, Bupa, SummitCare, St Vincent's and Markmoran, each with two aged care facilities across the catchment area.
- iii. The Little Sisters of the Poor Mount St Joseph's Home is the closest aged care facility to the Randwick site, located at 70 Market Street in Randwick, some 200 metres to the north. There are three other existing aged care facilities currently provided within the suburb of Randwick.
- iv. Each of the 34 existing aged care facilities within the catchment area are located within 8 km of the proposed site. Catchment area facilities received total federal funding of a combined \$138.9 million in 2018/19, or an average of \$52,295 per bed.

### 3.2.2. Future Aged Care Developments

- i. As detailed in Table 3.3 and highlighted again on Map 3.2, there are currently only three other planned aged care facilities across the catchment area, as follows:
  - Catholic Healthcare have received approval to redevelop the existing Maroubra Bowling Club at 479 Malabar Road in Maroubra. The facility is planned to comprise a total of 108 aged care beds upon completion by 2024.
  - An expansion of the existing St Joseph's facility at Randwick was previously proposed, although, this is not assumed to proceed (now abandoned).
  - Anglicare are currently constructing a 24 bed aged care facility in Botany. The site is located at 1377 Botany Road and is expected to be completed by 2021.
  - It is understood that Montefiore Randwick was previously the subject of an expansion proposal which included additional aged care beds. Some 79 independent living units are currently under construction at the site, however, no additional aged cared beds are to be provided under this expansion.

- ii. The assumed competitive developments (and as highlighted in Table 3.3), would represent a net addition of 132 aged care beds to the catchment area over the 2021 – 2024 period.

## MAP 3.1. EXISTING AGED CARE FACILITIES



- Religious Aged Care
- Charitable Aged Care
- Bupa Aged Care
- Opal Aged Care
- Regis Aged Care
- Independent Aged Care





**TABLE 3.2. EXISTING AGED CARE FACILITIES, SOUTH EAST SYDNEY REGION**

Service Name	Address	Suburb	Residential Places	Provider Name	Organisation Type	2018/19 Aust. Gov Funding	Dist. from Site (km)
SummitCare Randwick	15 Frenchmans Road	Randwick	94	Frenchmans Lodge Nursing Home Pty Limited	Private Incorporated Body	\$6,064,868	-
The Little Sisters of the Poor Mount St Joseph's Home	70 Market Street	Randwick	62	Little Sisters of the Poor Aged Care Ltd	Religious	\$4,258,927	0.2
Randwick Montefiore Home	30-36 Dangar Street	Randwick	276	Sir Moses Montefiore Jewish Home	Religious	\$14,992,244	0.7
Milford House Nursing Home	2-4 Milford Street	Randwick	45	Thompson Health Care Pty Ltd	Private Incorporated Body	\$2,991,274	0.8
Bupa Queens Park	142 Carrington Road	Waverley	71	Bupa Aged Care Australia Pty Ltd	Private Incorporated Body	\$4,230,555	0.9
Catholic Healthcare Brigidine House	7 Coogee Bay Road	Randwick	30	Catholic Healthcare Limited	Charitable	\$1,956,626	1.1
SummitCare Waverley	321 Bronte Road	Waverley	67	Phillip House Nursing Home Pty Ltd	Private Incorporated Body	\$4,750,615	1.1
Charingfield	282a Bronte Road	Waverley	55	Trustees of the Christian Brothers	Religious	\$2,419,791	1.2
St Basil's Randwick	57-63 St Pauls Street	Randwick	113	St Basil's Homes	Charitable	\$3,330,726	1.3
Uniting Edina Waverley	150 Bronte Road	Waverley	81	The Uniting Church in Australia Property Trust (NSW)	Religious	\$2,458,515	1.4
St Vincent's Care Services Bronte	363-367 Bronte Road	Bronte	105	St Vincent's Care Services Ltd.	Religious	\$5,083,188	1.5
Uniting Illowra Waverley	195 Birrell Street	Waverley	42	The Uniting Church in Australia Property Trust (NSW)	Religious	\$2,766,454	1.8
Uniting Ronald Coleman Lodge Woollahra	88 Wallis Street	Woollahra	53	The Uniting Church in Australia Property Trust (NSW)	Religious	\$3,148,684	2.2
Woollahra Montefiore Home	23 Nelson Street	Woollahra	50	Sir Moses Montefiore Jewish Home	Religious	\$2,041,955	2.2
St Josephs Aged Care Facility for Religious	2 Kensington Road	Kensington	50	St Joseph's Aged Care Facility for Religious Limited	Religious	\$3,082,174	2.3
Castellorizian Nursing Home	95 Todman Avenue	Kensington	55	Castellorizian Aged Care Services Limited	Community Based	\$3,380,848	2.5
Advantaged Care at Bondi Waters	47-51 O'Brien Street	Bondi	56	Advantaged Care Pty Ltd	Private Incorporated Body	\$2,875,599	3.1
Southern Cross Apartments Daceyville	1-3 Gwea Avenue	Daceyville	58	Southern Cross Care (NSW & ACT) Limited	Religious	\$3,723,459	3.1
St Vincent's Care Services Edgecliff	2-6 Albert Street	Edgecliff	40	St Vincent's Care Services Ltd.	Religious	\$2,029,286	3.1
Southern Cross Apartments South Coogee	39 Gregory Street	South Coogee	41	Southern Cross Care (NSW & ACT) Limited	Religious	\$2,855,726	3.2
Camelot Nursing Home	770 Anzac Parade	Maroubra	80	S.M.M.J.H. Camelot Pty Ltd	Charitable	\$5,034,569	3.3
Presbyterian Aged Care - Paddington	74 Brown Street	Paddington	100	The Presbyterian Church (New South Wales) Property Trust	Religious	\$3,800,886	3.5
Frederic House	182 Young Street	Waterloo	61	St Vincent De Paul Society NSW	Religious	\$2,990,342	3.6
Southern Cross Kildare Apartments	216 Maroubra Road	Maroubra	25	Southern Cross Care (NSW & ACT) Limited	Religious	\$1,495,117	3.7
St Brigid's Green Maroubra	220 Maroubra Road	Maroubra	69	Greengate Care Pty Ltd	Private Incorporated Body	\$3,310,771	3.7
Bupa Maroubra	288 Maroubra Road	Maroubra	90	Bupa Aged Care Australia Pty Ltd	Private Incorporated Body	\$5,779,650	3.8
Beresford Hall	1 Cranbrook Road	Rose Bay	141	Provectus Care Pty Limited	Private Incorporated Body	\$2,649,914	4.2
Regis Rose Bay	84 Newcastle Street	Rose Bay	66	Regis Aged Care Pty Ltd	Private Incorporated Body	\$3,730,975	4.2
Catholic Healthcare St James Villa	60 Lawson Street	Matraville	40	Catholic Healthcare Limited	Charitable	\$2,986,678	6.0
Vaucluse Nursing Home	13 Young Street	Vaucluse	63	Hammersley Nursing Home (WA) Pty Ltd	Private Incorporated Body	\$4,010,679	6.3
Markmoran at Vaucluse	2 Laguna Street	Vaucluse	91	Mark Moran Group Pty Limited	Private Incorporated Body	\$3,148,382	6.4
Chesalon Care Malabar	31 Raglan Street	Malabar	62	Anglican Community Services	Religious	\$4,383,011	6.4
Sir Joseph Banks Aged Care Facility	31-33 Edgehill Avenue	Botany	170	Heritage Care Pty Ltd	Private Incorporated Body	\$8,881,584	6.6
Markmoran at Little Bay	7-11 Brodie Avenue	Little Bay	155	Mark Moran at Little Bay Pty Ltd	Private Incorporated Body	\$8,302,721	8.0

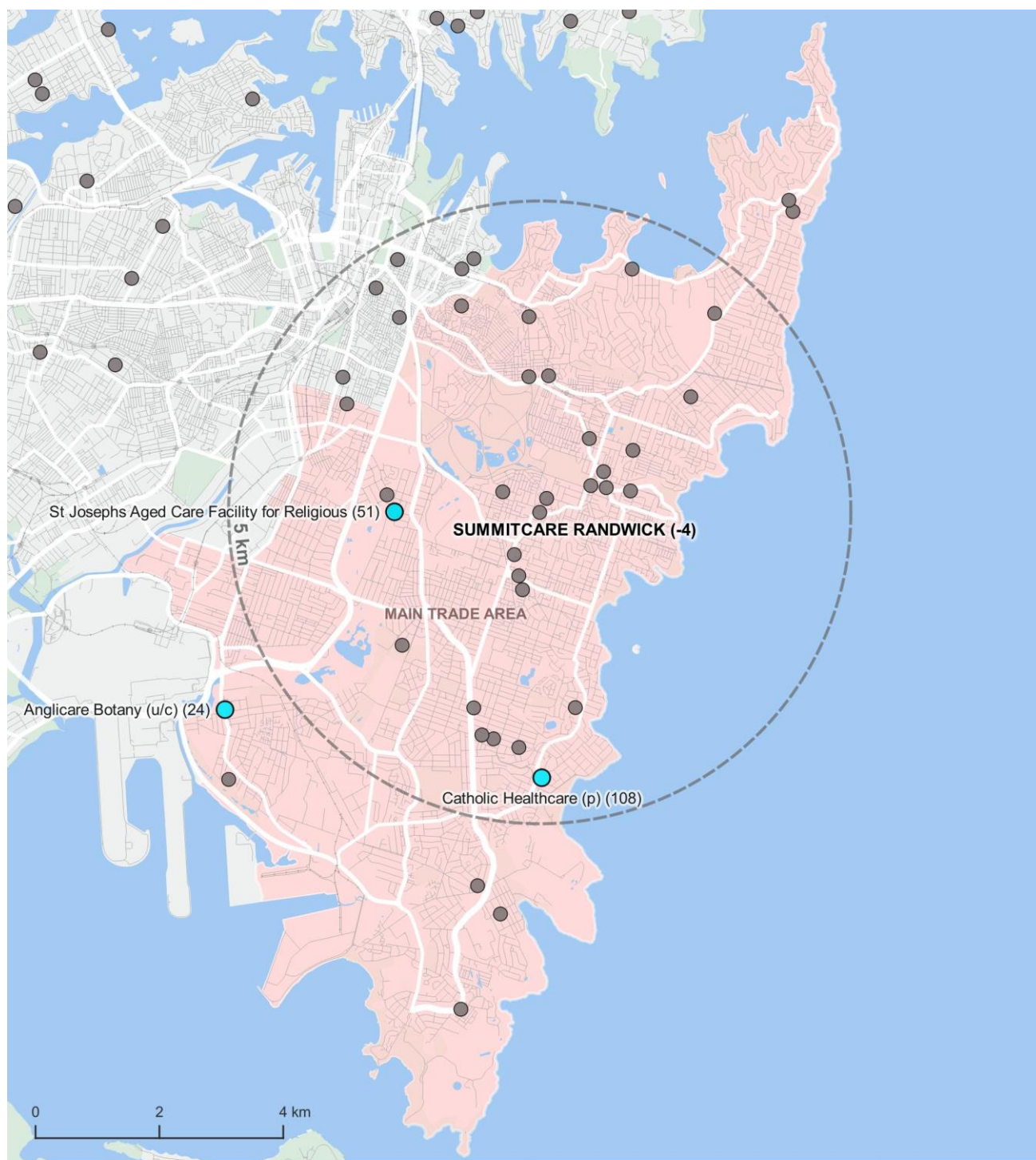
Source: Australian Institute of Health and Welfare - Aged Care Service List (Jun-19)



**TABLE 3.3. PROPOSED AGED CARE FACILITIES**

Site/Service Name	Address	Suburb	Provider/ Developer	Existing/ Proposed Facility	Component/Details	Status/Stage	Additional Places (Net)	Estimated Completion	Dist. from Site (km)
<b>Within Catchment Area</b>									
Catholic Healthcare	479 Malabar Rd	Maroubra	Catholic Healthcare Maroubra	Proposed	Construction of 108 aged care beds & 63 independent living units	DA Approved	108	2024	5.5
St Josephs	2 Kensington Rd	Kensington	Our Lady of the Sacred Heart	Existing	Expansion of existing facility by 51 aged care beds	DA Approved - Abandoned	51	n.a.	3.3
Anglicare	1377 Botany Rd	Botany	Anglicare Retirement Villages	Proposed	Construction of 24 aged care beds (Anglicare)	Under Construction	24	2021	8.4
Source: Cordell, Location IQ Database, Australian Institute of Health and Welfare - Aged Care Service List (Jun-19)							Assumed   Not assumed		

**MAP 3.2. PROPOSED AGED CARE FACILITIES (NET ADDITIONAL BEDS)**



- Net additional beds
- No change



### 3.2.3. Range of Services

- i. All facilities within the defined catchment area offer permanent residential aged care, with a range of care options and accommodation provided. The provision of care ranges from assistance with daily activities to 24 hour nursing care.
- ii. As outlined previously, since 2014, all permanent residential aged care has been provided on this basis, with residents having the right to indefinite accommodation, where the level of care and service adapts with their changing needs.
- iii. As shown in Table 3.4, 19 of the reporting sites offer dementia care, while 16 cater for terminal illness. Based on recent data from the Australian Institute of Health and Welfare (AIHW), some 55.1% of people using permanent residential aged care across the South East Sydney ACPR had a diagnosis of dementia.

**TABLE 3.4. SERVICES MEETING PARTICULAR NEEDS, CATCHMENT AREA**

Service Name	Terminal Illness	Indigenous Persons	LGBTI	Veterans	Dementia	Social/ Financial	Food Req.	Cultural/ Linguistic
<b>Within Catchment Area</b>								
<i>SummitCare Randwick</i>	•				•	•		
The Little Sisters of the Poor Mount St Joseph's Home						•		
Randwick Montefiore Home	•				•	•	•	
Milford House Nursing Home	•							
Bupa Queens Park	•				•			
Catholic Healthcare Brigidine House						•		
SummitCare Waverley	•				•	•		
Charingfield					•			
St Basil's Randwick					•		•	•
Uniting Edina Waverley			•			•		
St Vincent's Care Services Bronte	-	-	-	-	-	-	-	-
Uniting Illowra Waverley			•		•	•		
Uniting Ronald Coleman Lodge Woollahra			•			•		
Woollahra Montefiore Home	•					•	•	
St Josephs Aged Care Facility for Religious	-	-	-	-	-	-	-	-
Castellorizian Nursing Home						•		
Advantaged Care at Bondi Waters					•			
Southern Cross Apartments Daceyville	•	•	•	•	•	•	•	•
St Vincent's Care Services Edgecliff	-	-	-	-	-	-	-	-
Southern Cross Apartments South Coogee	•	•			•	•		
Camelot Nursing Home		•				•		
Presbyterian Aged Care - Paddington					•			
Frederic House	•					•		•
Southern Cross Kildare Apartments	•	•			•	•		
St Brigid's Green Maroubra	•				•			
Bupa Maroubra	•				•			
Beresford Hall	•		•		•			•
Regis Rose Bay	•				•			
Catholic Healthcare St James Villa		•	•	•		•	•	
Vaucluse Nursing Home	•	•	•	•	•	•	•	•
Markmoran at Vaucluse					•			
Chesalon Care Malabar	-	-	-	-	-	-	-	-
Sir Joseph Banks Aged Care Facility	-	-	-	-	-	-	-	-
Markmoran at Little Bay	•			•	•	•	•	•

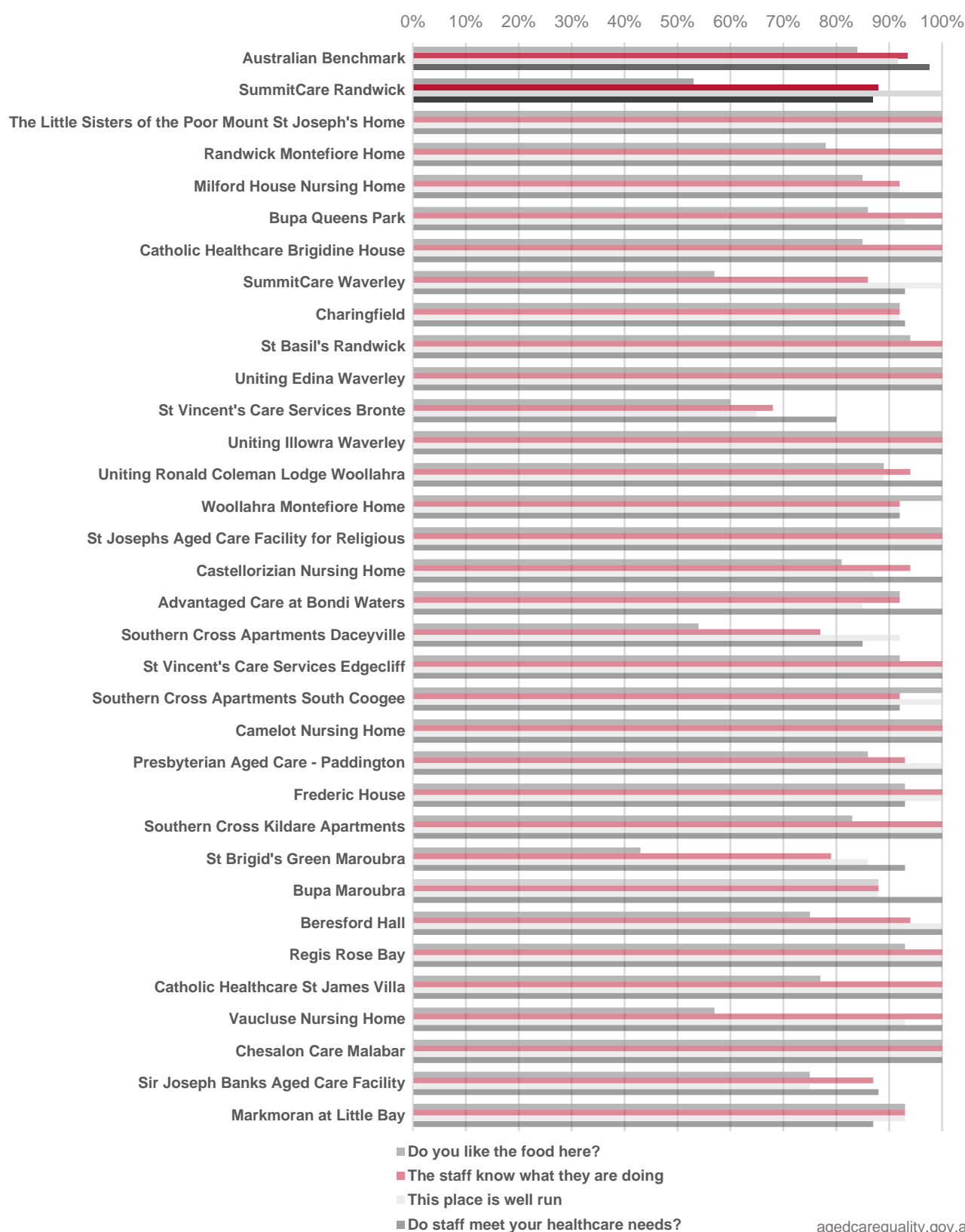
"-" = information not available

Source: Australian Institute of Health and Welfare - Aged Care Service List (Jun-19)

### 3.2.4. Aged Care Quality and Survey Results

- i. It is difficult to compare the quality of various aged care facilities given all approved/accredited facilities are required to meet standards in areas such as health, safety, personal care and staffing. Each of the catchment area facilities met all 44 of the requisite standards.
- ii. When a team of assessors from the Aged Care Quality and Safety Commission visit a residential aged care service to perform re-accreditation as part of an audit, they interview at least 10% of those living in the home. A core set of consumer interview questions are used to collect data on the experiences of the quality of care and services from those living in the home. The findings are reported in a Consumer Experience Report (CER).
- iii. Some key results from these audits are illustrated in Chart 3.2, which indicate that most facilities recorded responses that were at or above the national benchmark. Only six providers recorded 100% positive (most of the time or always) response rates to the four key questions, namely Uniting Edina Waverley, Uniting Illowra Waverley, St Josephs Aged Care Facility for Religious, Camelot Nursing Home, Chesalon Care Malabar and Mount St Joseph's Home.
- iv. This would generally indicate that a redevelopment of the subject site (SummitCare) could provide an opportunity for a unique facility offering a high level of care and resident amenity that is not readily available across the catchment area.

**CHART 3.2. CONSUMER EXPERIENCE REPORT - MOST OF THE TIME OR ALWAYS (%)**



### 3.2.5. Composition and Pricing

- i. Table 3.5 provides a summary of the average composition and pricing of aged care facilities throughout the broader region, based on data from the AIHW (December 2019). Tables 3.6 – 3.9 provides a detailed breakdown of this information by facility and room.
- ii. A total of 1,589 rooms were reported to the survey, the vast majority of which were single bedrooms (91.8%). The average size of single rooms is 23.8 sq.m, while shared bedrooms average 24.0 sq.m in size and typically host two occupants.
- iii. In terms of pricing, the average RAD cost across the region was \$842,765 for single rooms and \$457,484 for shared rooms. This can be compared with the New South Wales average of \$410,668 and National benchmark of \$402,384. RADs vary significantly across the region, ranging from \$150,000 - \$2.2 million.
- iv. The average DAP across the catchment area is currently \$113.37 for single rooms and \$61.54 for shared rooms, but again is subject to significant variation between facilities. It is commonplace for residents to partially-pay the RAD in order to reduce the requisite DAP, in what is known as a combination payment.

**TABLE 3.5. AGED CARE FACILITY AVERAGES (CATCHMENT AREA)**

Service Name	Single Room	Shared Room
<b>Broader Region</b>		
Proportion of Total Rooms (%)	91.8%	8.2%
<b>Bathroom</b>		
• Ensuite (%)	94.2%	0.0%
• Shared (%)	5.8%	98.5%
Average Room Size (sq.m)	23.8	24.0
Average Occupancy (no. of persons)	1.0	2.5
Average RAD (\$)	\$842,765	\$457,484
Average DAP (\$)	\$113.37	\$61.54

Source: Australian Institute of Health and Welfare - Aged Care Homes Composition (Dec-19)



**TABLE 3.6. CATCHMENT AREA REPORTED ROOM COMPOSITION AND PRICING (1/4)**

Service Name/Room	Room		Bathroom		Total (rooms)	Max. Occ. (pers)	Room Size (sq.m)	RAD (\$)	DAP (\$/day)	Ex Serv. Fee (\$)
	Single	Shared	Ens.	Shared						
SummitCare Randwick										
Category 3		●		●	1	4	20 to 40	\$345,000	\$46.41	\$0
Category 2		●		●	1	2	10 to 15	\$395,000	\$53.14	\$0
Category 1	●			●	2	1	8 to 10	\$445,000	\$59.86	\$0
The Little Sisters of the Poor Mount St Joseph's Home										
Standard Single Room	●			●	48	1	17	\$250,000	\$33.63	\$0
Randwick Montefiore Home										
Low Care Suite	●			●	24	1	56	\$1,550,000	208.51	\$0
Low Care Deluxe Room	●			●	0	1	37	\$950,000	127.79	
Low Care Classic Room	●			●	80	1	27	\$850,000	114.34	\$0
High Care Deluxe Room	●			●	2	1	37	\$950,000	127.79	\$74
High Care Classic Room	●			●	209	1	27	\$850,000	114.34	\$74
Milford House Nursing Home										
1A	●			●	0	23	21	\$200,000	\$26.90	\$74
2B		●		●	0	8	21	\$150,000	\$20.18	\$13
2A		●		●	0	6	21	\$150,000	\$20.18	\$47
2C		●		●	0	6	21	\$200,000	\$26.90	\$54
1B	●			●	0	2	21	\$400,000	\$53.81	\$74
Bupa Queens Park										
Premium	●			●		1	23	\$850,000	114.34	\$0
Superior	●			●		1	23	\$750,000	100.89	\$0
Premium Plus	●			●		1	23	\$900,000	121.07	\$0
Catholic Healthcare Brigidine House										
Standard	●			●	30	1	14	\$545,000	73.31	\$0
SummitCare Waverley										
Category 1	●			●	1	1	8 to 10	\$545,000	\$73.31	\$0
Category 3		●		●	1	4	20 to 32	\$375,000	\$50.45	\$0
Category 2		●		●	1	2	16 to 23	\$495,000	\$66.59	\$0
Charingfield										
All rooms	●			●	55	1	24 to 30	\$550,000	\$73.99	\$0
Uniting Edina Waverley										
Companion Living		●		●	1	2	20.5	\$310,000	\$41.70	\$0
Companion Living		●		●	1	4	22.5	\$265,000	\$35.65	\$0
Comfort Living	●			●	1	1	12	\$370,000	\$49.77	\$0
Comfort Living	●			●	1	1	12	\$399,000	\$53.67	\$0
St Vincent's Care Services Bronte										
Superior Room - Corner with view	●			●	2	1	21	\$900,000	121.07	\$0
Premium Room - Kitchenette and Balcony	●			●	3	1	23	\$1,100,000	147.97	\$0
Penthouse Premium Suite - Couple		●		●	2	2	38	\$1,100,000	147.97	\$0
Penthouse Premium Suite - Single	●			●	2	1	38	\$2,200,000	295.95	\$0
Penthouse Premium	●			●	15	1	19	\$1,100,000	147.97	\$0
Superior Room	●			●	62	1	19 to 20	\$800,000	107.62	\$0
Penthouse Suite - Couple		●		●	3	2	34	\$900,000	121.07	\$0
Superior Room - Kitchenette	●			●	12	1	20	\$900,000	121.07	\$0
Superior Room - Kitchenette and Balcony	●			●	9	1	20	\$1,000,000	134.52	\$0
Penthouse Suite - Single	●			●	3	1	34	\$1,800,000	242.14	\$0

Source: Australian Institute of Health and Welfare - Aged Care Homes Composition (Dec-19)



**TABLE 3.7. CATCHMENT AREA REPORTED ROOM COMPOSITION AND PRICING (2/4)**

Service Name/Room	Room		Bathroom		Total (rooms)	Max. Occ. (pers)	Room Size (sq.m)	RAD (\$)	DAP (\$/day)	Ex Serv. Fee (\$)
	Single	Shared	Ens.	Shared						
Uniting Illowra Waverley										
Secure Living	●		●		1	1	13 to 18	\$770,000	\$103.58	\$0
Comfort Living	●		●		1	2	13 to 18	\$770,000	\$103.58	\$0
Comfort Living with Balcony	●		●		1	4	21	\$770,000	\$103.58	\$0
Uniting Ronald Coleman Lodge Woollahra										
Comfort living	●		●		1	1	17 to 26	\$600,000	\$80.71	\$0
Spacious living	●		●		1	1	26 to 35	\$665,000	\$89.46	\$0
Woollahra Montefiore Home										
Suite	●		●		13	1	45	\$1,100,000	\$147.97	\$0
Deluxe	●		●		9	1	29 to 35	\$850,000	\$114.34	\$0
Standard	●		●		28	1	23	\$650,000	\$87.44	\$0
St Josephs Aged Care Facility for Religious										
Three Bedded Shared Accomodation		●			0	3	35	\$550,000	\$73.99	\$0
Two Bedded Shared Accomodation		●			0	2	20	\$550,000	\$73.99	\$0
Single Room	●				0	1	10 to 18	\$550,000	\$73.99	\$0
Single Privately Ensuted Room	●		●		0	1	18	\$550,000	\$73.99	\$0
Castellorizian Nursing Home										
Multi Care Room		●		●	1	4	30	\$450,000	60.53	\$0
Large Shared Room		●		●	15	2	22	\$520,000	69.95	\$0
Large Private Rooms	●			●	21	1	16	\$550,000	73.99	\$0
Advantaged Care at Bondi Waters										
Penthouse	●		●		1	1	33	\$1,450,000	\$195.05	\$65
Superior	●		●		4	1	28	\$1,100,000	\$147.97	\$65
Deluxe	●		●		13	1	25	\$975,000	\$131.16	\$65
Premium	●		●		27	1	25	\$875,000	\$117.71	\$65
Classic	●			●	8	1	19	\$725,000	\$97.53	\$65
Southern Cross Apartments Daceyville										
Single Room + Private Ensuite	●		●		1	1	16 to 23	\$700,000	\$94.16	\$0
St Vincent's Care Services Edgecliff										
Superior Room	●		●		1	1	18	\$730,000	\$98.20	\$59
Deluxe room - Couple		●		●	1	2	27	\$550,000	\$73.99	\$48
Superior Room - Shared Ensuite	●			●	2	1	13 to 22	\$730,000	\$98.20	\$54
Deluxe Room	●		●		4	1	28 to 30	\$835,000	\$112.32	\$59
Premium Room	●		●		31	1	21 to 23	\$782,500	\$105.26	\$59
Extra Service Shared Ensuite	●			●	2	1	22 to 26	\$700,000	\$94.16	\$54
Extra Service Single Ensuite	●		●		4	1	28	\$800,000	\$107.62	\$59
Extra Service Premium Single	●		●		31	1	22 to 26	\$750,000	\$100.89	\$59
Extra Service Single Ensuite	●		●		1	1	22 to 26	\$700,000	\$94.16	\$59
Southern Cross Apartments South Coogee										
Single Room + Private Ensuite	●		●		41	1	18 to 19	\$650,000	\$87.44	\$0
Camelot Nursing Home										
Camelot Four Bed Room		●		●	10	4	40	\$200,000	26.9	\$0
Camelot Three Bed Room		●		●	5	3	22	\$225,000	30.27	\$0
Camelot Double Room		●		●	6	2	23	\$275,000	36.99	\$0
Camelot Single Room	●			●	13	1	9	\$325,000	43.72	\$0

Source: Australian Institute of Health and Welfare - Aged Care Homes Composition (Dec-19)



**TABLE 3.8. CATCHMENT AREA REPORTED ROOM COMPOSITION AND PRICING (3/4)**

Service Name/Room	Room		Bathroom		Total (rooms)	Max. Occ. (pers)	Room Size (sq.m)	RAD (\$)	DAP (\$/day)	Ex Serv. Fee (\$)
	Single	Shared	Ens.	Shared						
Presbyterian Aged Care - Paddington										
1 Bed suite w own bathroom	●		●		22	1	25	\$1,100,000	\$147.97	\$0
Dementia Specific	●		●		23	1	24	\$850,000	\$114.34	\$0
Double (shared ensuite)	●			●	12	2	30	\$550,000	\$73.99	\$0
Single + shared bathroom	●			●	5	1	25	\$550,000	\$73.99	\$0
Single (ensuite)	●		●		26	1	24	\$785,000	\$105.60	\$0
Frederic House										
Rooms 1 to 61 (excluding room 25)	●		●		0	1	10.5	\$248,600	\$33.44	\$0
Southern Cross Kildare Apartments										
Building D	●		●		25	1	18 to 22	\$715,000	\$96.18	\$0
St Brigid's Green Maroubra										
Balcony Superior Suite	●		●		9	1	21	\$1,467,742	\$197.44	\$40
Balcony Corner Suite	●		●		9	1	17.5 to 20.5	\$1,362,903	\$183.34	\$40
Single Suite	●			●	6	1	19 to 21	\$891,129	\$119.88	\$40
Balcony Suite	●		●		9	1	17.5 to 21	\$1,310,484	\$176.29	\$40
Deluxe Suite	●		●		22	1	17 to 19	\$1,100,806	\$148.08	\$40
King Suite	●		●		11	1	19 to 23	\$1,179,435	\$158.66	\$40
Bupa Maroubra										
Shared		●		●	7	4	22.02	\$255,000	34.3	\$0
Companion		●		●	29	2	14.21	\$275,000	36.99	\$0
Private	●			●	5	1	9.8	\$375,000	50.45	\$0
Beresford Hall										
Drayton House Standard Suite	●		●		12	1	22 to 31	\$500,000	\$67.26	\$0
Classic 3	●		●		3	1	21.7	\$909,051	\$122.29	\$105
Classic 2	●		●		22	1	19.8	\$877,523	\$118.04	\$105
Classic 1	●		●		4	1	19	\$788,194	\$106.03	\$105
Deluxe 5	●		●		2	1	24.6	\$1,156,019	\$155.51	\$105
Deluxe 4	●		●		5	1	24	\$1,050,926	\$141.37	\$105
Deluxe 3	●		●		6	1	21.4	\$1,050,926	\$141.37	\$105
Deluxe 2	●		●		4	1	25.7	\$1,050,926	\$141.37	\$105
Deluxe 1	●		●		3	1	25.1	\$945,833	\$127.23	\$105
Signature	●		●		5	1	43.1	\$2,067,332	\$278.10	\$105
Premier 2	●		●		7	1	35	\$1,471,296	\$197.92	\$105
Premier 1		●		●	4	2	32.1	\$1,366,204	\$183.78	\$105
Couple 2		●		●	3	2	41.6	\$1,366,204	\$183.78	\$105
Couple 1		●		●	2	2	26.7	\$1,261,111	\$169.65	\$105
Classic 4	●		●		4	1	19.8	\$924,815	\$124.41	\$105
Couple 3		●		●	1	2	50.9	\$2,067,332	\$278.10	\$105
Regis Rose Bay										
Suite	●		●		1	1	Suite	\$850,000	114.34	\$0
Double Select		●		●	1	2	Large	\$550,000	73.99	\$0
Private Premium	●		●		1	1	Standard	\$750,000	100.89	\$0
Private Select	●		●		1	1	Standard	\$680,000	91.47	\$0
Catholic Healthcare St James Villa										
Standard	●		●		40	1	10	\$480,000	64.57	\$0

Source: Australian Institute of Health and Welfare - Aged Care Homes Composition (Dec-19)



**TABLE 3.9. CATCHMENT AREA REPORTED ROOM COMPOSITION AND PRICING (4/4)**

Service Name/Room	Room		Bathroom		Total (rooms)	Max. Occ. (pers)	Room Size (sq.m)	RAD (\$)	DAP (\$/day)	Ex Serv. Fee (\$)
	Single	Shared	Ens.	Shared						
Vaucluse Nursing Home										
Single room	●			●		1	8	\$480,000	\$64.57	\$0
Companion room		●		●		2	17	\$420,000	\$56.50	\$0
Companion room for three, no ensuite		●		●		3	25	\$330,000	\$44.39	\$0
Companion room for four, no ensuite		●		●		4	31	\$300,000	\$40.36	\$0
Markmoran at Vaucluse										
Cooper Lifestyle	●		●			1	37	\$2,100,000	282.49	\$66
Barton Traditional	●		●		15	1	39	\$1,500,000	201.78	\$66
Cooper Club	●		●		14	1	31	\$1,350,000	181.6	\$66
Barton Traditional	●		●		11	1	31	\$1,000,000	134.52	\$66
Lawson Lifestyle	●		●		19	1	37	\$2,200,000	295.95	\$66
Lawson Ocean	●		●		14	1	31	\$1,650,000	221.96	\$66
Chesalon Care Malabar										
Single room + ensuite	●		●		9	1	23	\$750,000	100.89	\$30
Shared room + no bathroom or ensuite		●		●	26	2	25	\$450,000	60.53	\$0
Single room + no bathroom or ensuite	●			●	4	1	15	\$500,000	67.26	\$0
Single room + ensuite	●		●		23	1	23	\$700,000	94.16	\$30
Markmoran at Little Bay										
Superior Suite	●		●		18	1	28.9	\$750,000	100.89	\$58
Executive Memory Suite	●		●		12	1	23 to 29	\$995,000	133.85	\$58
Premium Executive Suite	●		●		5	1	28.5 to 31	\$1,565,000	210.52	\$58
Penthouse Suite	●		●		2	1	29	\$1,825,000	245.5	\$58
Executive Suite	●		●		118	1	26 to 29	\$995,000	133.85	\$58

Source: Australian Institute of Health and Welfare - Aged Care Homes Composition (Dec-19)

### 3.2.6. Indicative Vacancy Rates

- i. It is important to note that information in the previous Table 3.5 is based on self-reported data from the AIHW's Aged Care Homes Composition survey. Similarly, Table 3.10 also highlights AIHW data on the number of unallocated permanent residential aged care places across the state Aged Care Planning Regions.
- ii. As shown, the South East Sydney region of New South Wales has a higher level of unused places (4.7%), as compared with the State (3.9%) and National (3.3%) benchmarks. This level of vacancy (4.7%) is considered to be the natural vacancy rate (turnover) for the catchment area. This is also attributed to the higher level of supply of aged care facilities within the region.
- iii. Discussions with local operators within the catchment confirm this general level of vacancy, with many having waiting lists for aged care services across varying needs.

**TABLE 3.10. RESIDENTIAL AGED CARE VACANCY BENCHMARKS, JUNE 2019**

State/Aged Care Planning Region	Allocated Residential Care Places	Unused Residential Care Places	% Unused (Vacancy Rate)
<b>New South Wales</b>			
New England	2,121	0	0.0%
Orana Far West	1,863	0	0.0%
Riverina/Murray	3,589	26	0.7%
Central West	2,374	32	1.3%
Illawarra	5,295	91	1.7%
Southern Highlands	2,775	46	1.7%
Mid North Coast	5,345	101	1.9%
Nepean	3,179	67	2.1%
Western Sydney	8,015	178	2.2%
Hunter	7,875	180	2.3%
South West Sydney	9,317	228	2.4%
Inner West	5,177	145	2.8%
Central Coast	5,050	195	3.9%
<i>South East Sydney</i>	<i>9,563</i>	<i>445</i>	<i>4.7%</i>
Far North Coast	4,460	253	5.7%
Northern Sydney	10,625	1,361	12.8%
<b>New South Wales Total</b>	<b>86,623</b>	<b>3,348</b>	<b>3.9%</b>
<b>Australia Total</b>	<b>262,680</b>	<b>8,655</b>	<b>3.3%</b>

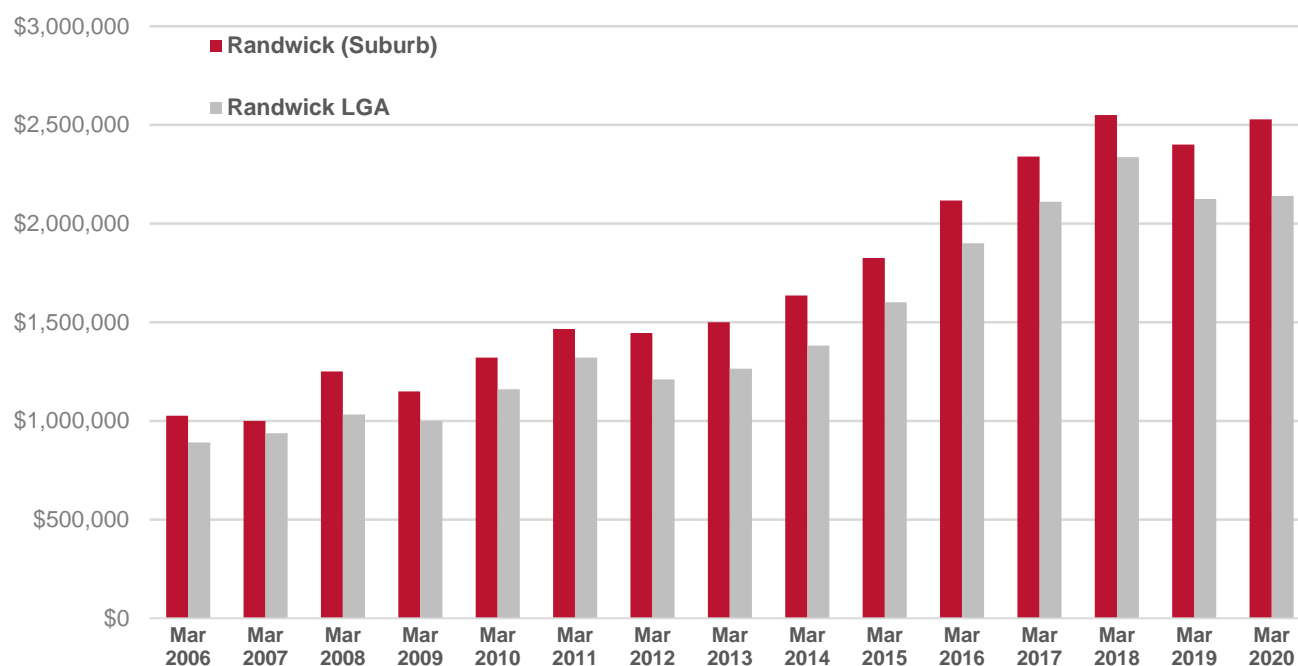
Source: Australian Institute of Health and Welfare -Stocktake of Aged Care Places (Jun-19)

### 3.3. Residential Market

- i. At-home aged care solutions are generally more affordable than permanent residential aged care, which can encourage prospective residents to retain ownership of their properties for longer and have care services come to them. In addition, where property prices are increasing by more than RADs, residents can be incentivised to delay aged care transition.
- ii. Charts 3.3 and 3.4 illustrate median house prices and sales volumes, respectively, across the suburb of Randwick, as well as the Randwick LGA. As shown, median house prices have stabilised in recent years, having increased markedly since around 2012 to \$2,527,000 in Randwick (Suburb) and \$2,140,000 across the broader Randwick LGA.

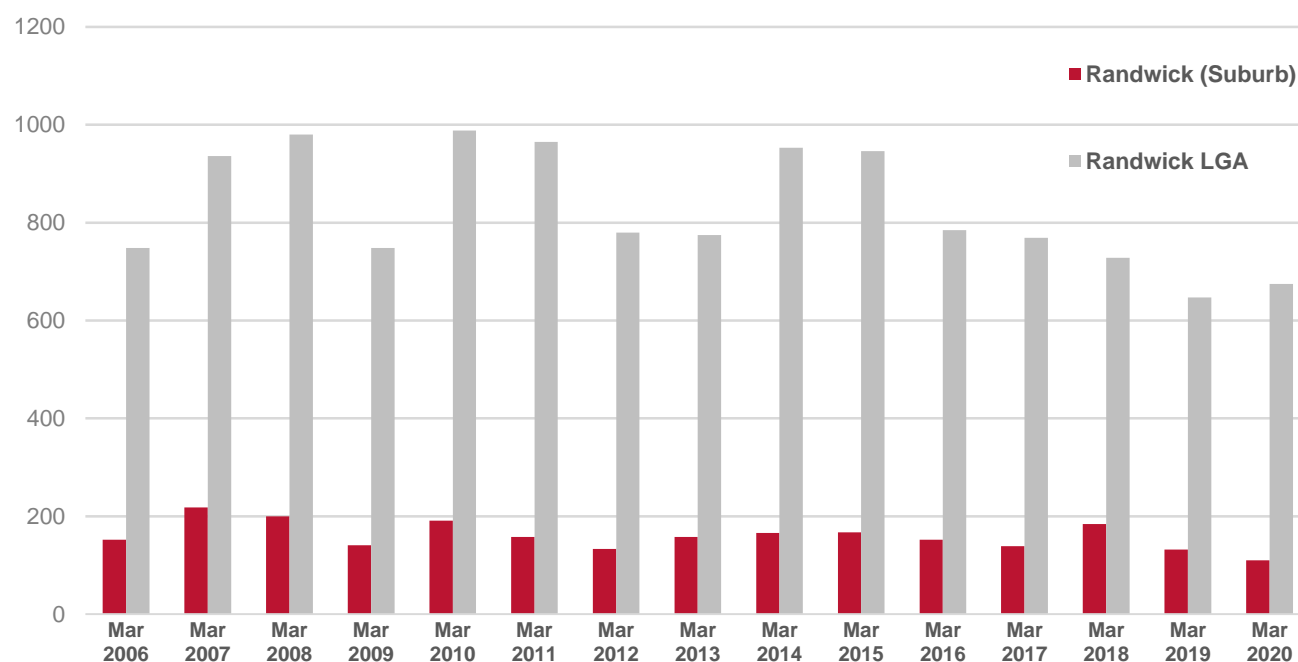
- iii. Charts 3.5 and 3.6 illustrate median unit prices and sales volumes across the same localities, also reflecting a similar trend. Currently, median unit prices are around \$955,000 across the suburb of Randwick and the broader Randwick LGA.
- iv. Generally, both the suburb of Randwick and the Randwick LGA are characterised by strong median dwelling prices that are slightly significantly above the Sydney metropolitan median of \$1 million for houses and \$700,000 for units.
- v. Residents often choose between selling or drawing down against their housing equity to meet aged care costs (as recommended by the Productivity Commission's aged care equity release scheme).
- vi. Based on the Aged Care Financial Performance Survey (June 2019) by StewartBrown, the median RAD across Sydney represented 49.8% of the median house price in 2019.
- vii. In comparison, the average RAD for single beds across the catchment area (\$842,765) represents 33% of the Randwick median house price (and 88% of the median unit price), while the average shared bed RAD (\$457,484) represents 18%. The low RAD price generally reflects the significantly high house and unit prices throughout the region.

### CHART 3.3. MEDIAN HOUSE PRICES

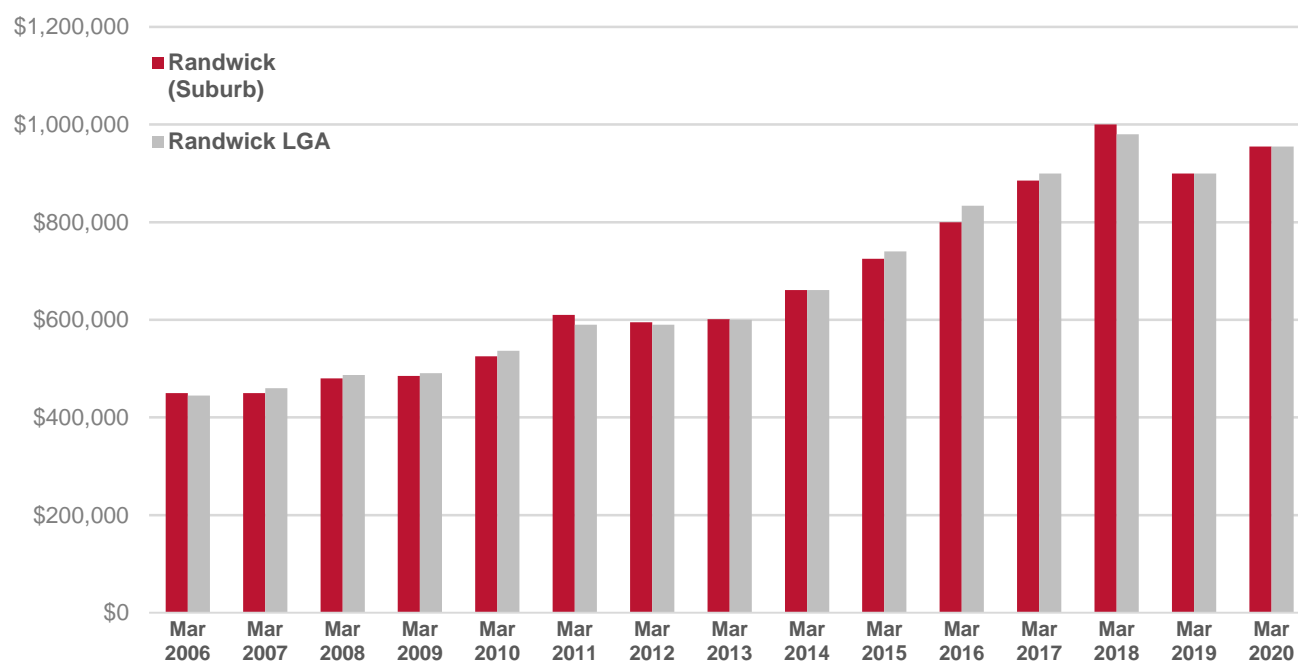




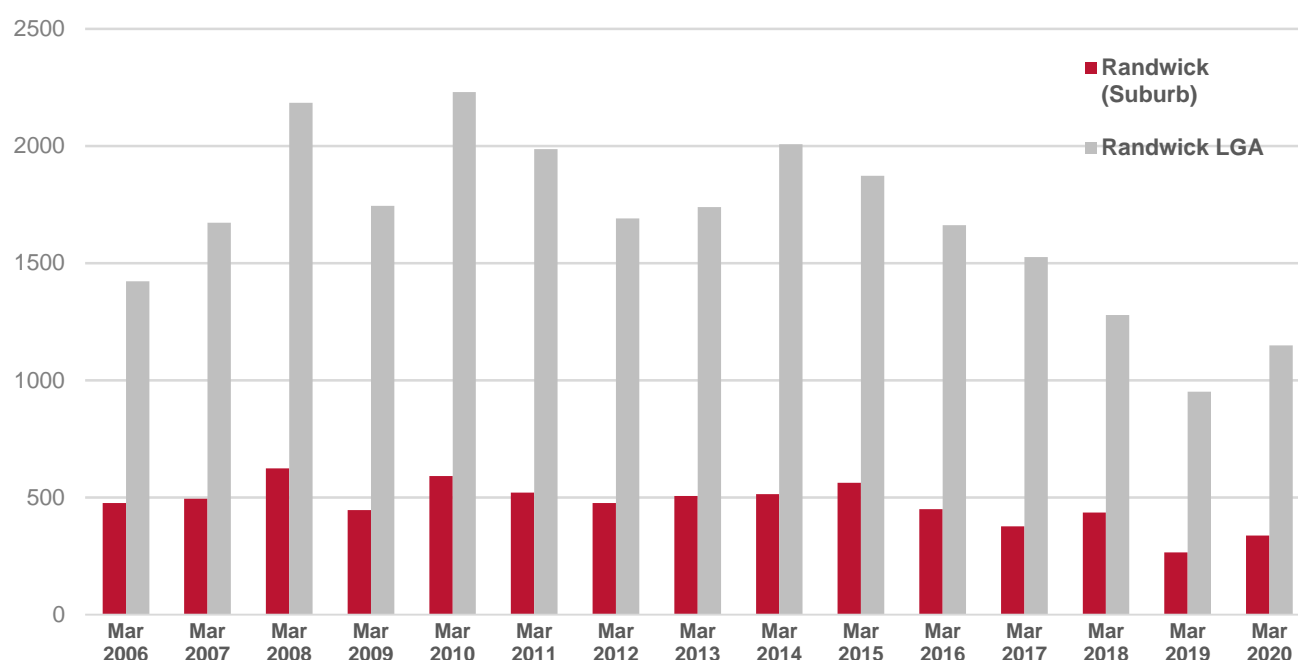
### CHART 3.4. HOUSE SALES VOLUME



### CHART 3.5. MEDIAN UNIT PRICES



### CHART 3.6. UNIT SALES VOLUME



## 3.4. Factors Influencing Demand

- i. There are several high-level factors that have driven growing demand for permanent residential aged care in recent years, including the following:
  - **Ageing Population:** the key driver of demand for aged care facilities throughout Australia is the ageing population. As outlined previously in Section 2 of this report, the catchment area and broader Australian population continues to age at an accelerated rate, in-line with rising life expectancy.
  - **Government Funding:** increasing aged care funding through subsidies and supplements.
  - **Health Outcomes:** rising prevalence of chronic diseases such as obesity and diabetes are associated with increased care requirements.
  - **Increased Wealth:** with greater net worth/affluence, prospective aged care residents are able to demand more choice and quality than has previously been available.
  - **Independent living:** the rising popularity of retirement/independent living facilities has increased the need for integrated aged care facilities that allow residents to age in place and easily transition to aged care.
- ii. Each of these factors is relevant to the Randwick catchment area and is likely to drive demand for aged care facilities throughout the region in future years.

### 3.5. Aged Care Penetration Rate

- i. The proportion of persons in aged care accommodation varies across age brackets. Table 3.11 details the current penetration rate for permanent residential aged care across various age brackets, based on data from the Department of Health's Aged Care Snapshot 2019.
- ii. As shown, across New South Wales, some 4.5% of persons aged 65 and older live in care accommodation, with the highest penetration rate being for persons aged 90 years or older (31.4%). These penetration rates are generally in-line with the Australian benchmark of 4.4% and 31.8%, respectively.
- iii. Chart 3.7 and Map 3.3 highlight the net internal migration of persons aged 65 years or older by SA2 and SA3 region. As highlighted, the Eastern Suburbs - South region has typically experienced negative net immigration into the region (negative retention of aged persons). A number of factors could contribute to this trend, including but not limited to:
  - Residents relocating to outer-metropolitan or rural areas, or closer to a range of community facilities;
  - Residents locating closer to relatives;
  - The limited availability of aged care facilities within the region;
  - Pricing and affordability concerns;
- iv. Overall, this net loss (migration) of over 65s away from the region reflects unnecessary leakage which should look to be reduced (retention) through increased supply and/or quality of aged care options.

**TABLE 3.11. PERMANENT RESIDENTIAL AGED CARE PENETRATION RATE, 2019**

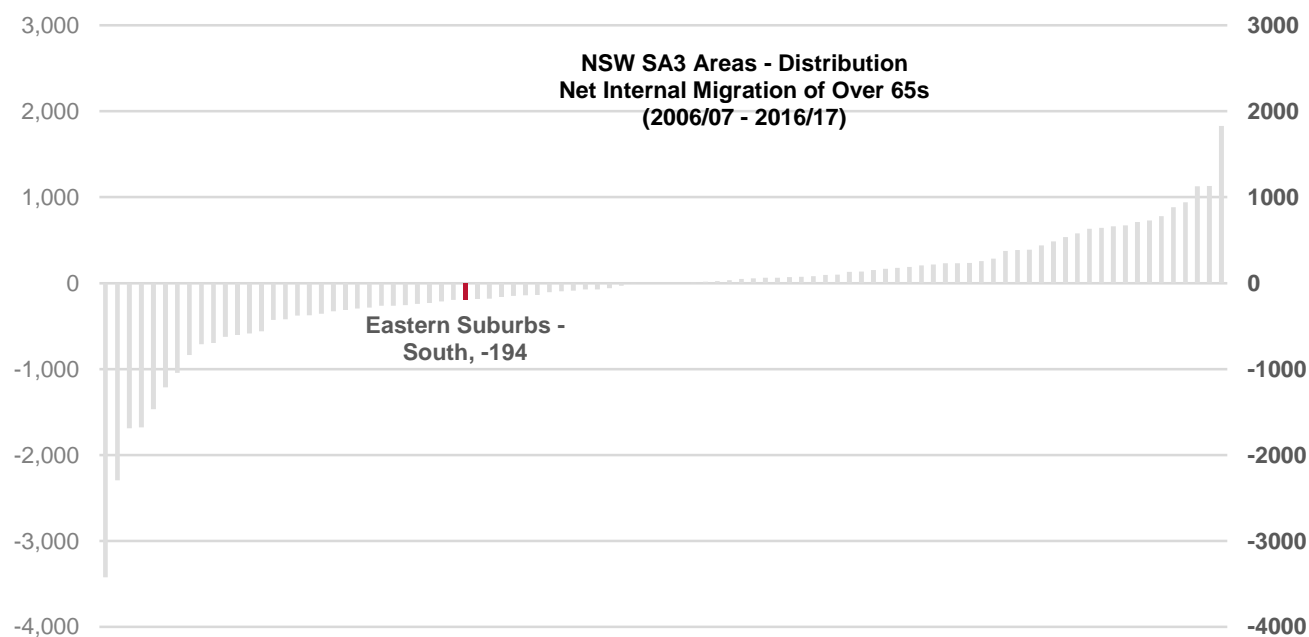
Component/Age Bracket	NSW		Australia	
Est. Population as at 30 June 2018	(Total)	(% of Total)	(Total)	(% of Total)
< 65 Years	6,820,128	83.8%	21,418,039	84.2%
65 – 69 Years	395,398	4.9%	1,225,624	4.8%
70 – 74 Years	342,925	4.2%	1,056,325	4.2%
75 – 79 Years	240,894	3.0%	732,387	2.9%
80 – 84 Years	168,243	2.1%	502,902	2.0%
85 – 89 Years	105,995	1.3%	312,213	1.2%
90 + Years	<u>67,392</u>	<u>0.8%</u>	<u>196,604</u>	<u>0.8%</u>
<b>Total Persons</b>	<b>8,140,975</b>	<b>100%</b>	<b>25,444,094</b>	<b>100%</b>
<b>Total Persons Aged 65+</b>	<b>1,320,847</b>	<b>16.2%</b>	<b>4,026,055</b>	<b>15.8%</b>

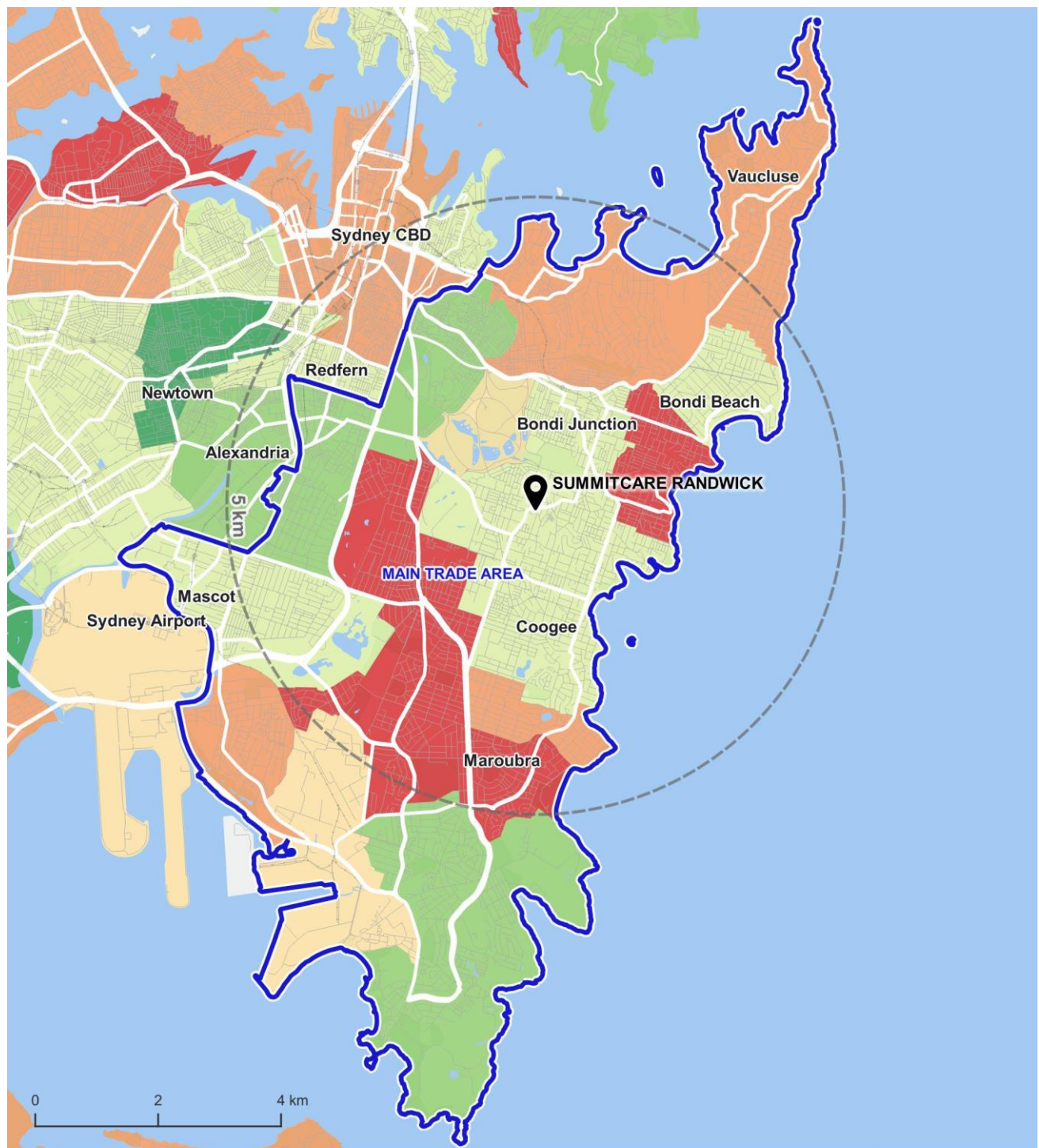
Persons in Permanent Residential Aged Care	(Total)	(Penetration Rate %)*	(Total)	(Penetration Rate %)*
< 65 Years	1,946	0.0%	5,606	0.0%
65 – 69 Years	2,245	0.6%	6,729	0.5%
70 – 74 Years	4,117	1.2%	12,455	1.2%
75 – 79 Years	6,283	2.6%	19,235	2.6%
80 – 84 Years	10,438	6.2%	31,608	6.3%
85 – 89 Years	14,743	13.9%	44,572	14.3%
90 + Years	<u>21,130</u>	<u>31.4%</u>	<u>62,499</u>	<u>31.8%</u>
<b>Total Persons</b>	<b>60,902</b>	<b>0.7%</b>	<b>182,704</b>	<b>0.7%</b>
<b>Total Persons Aged 65+</b>	<b>58,956</b>	<b>4.5%</b>	<b>177,098</b>	<b>4.4%</b>

\*Penetration Rate = proportion of persons in age bracket that are residential aged care clients  
Source: Department of Health - Aged care data snapshot 2019 Fourth Release

**CHART 3.7. NET INTERNAL MIGR. PERSONS AGED 65+, NSW SA3 – 2006/07 – 2016/17**



### MAP 3.3. NET INTERNAL MIGRATION (BY SA2) - PERSONS AGED 65 YEARS OR OLDER



Annual Net Internal Migration of Residents Aged 65+ by SA2 (2016-17)



### 3.6. Catchment Area Aged Care Demand Analysis

- i. Table 3.12 provides an analysis of the likely demand for permanent residential aged care facilities across the Randwick catchment area, based on the New South Wales penetration rate benchmark and the distribution of age brackets across the catchment area. Key points to note are as follows:

#### Population

- Across Australia, some 15% of the total population was aged 65 years and older as at 2017, up from 9% in 1977. The number and proportion of older Australians is expected to continue to grow. By 2057, official projections indicate that some 22% of the population will be aged 65 years or older.
- The Australian Institute of Health and Welfare (AIHW) provides official population forecasts by detailed age bracket over the period to 2032. For the SA2 areas that make up the defined catchment area, the number of persons aged 65 years or older is projected to grow at an average annual rate of 2.1% over the period to 2036.
- These official forecasts have been adopted for the purposes of this assessment (by age bracket) and would indicate a total of 54,008 persons (13.4%) aged 65 years and older within the catchment area currently (2020), increasing to 76,466 by 2036.

#### Supply

- As outlined previously in this report, there are currently some 2,657 permanent residential aged care places are currently provided across the catchment area.
- Based on the latest AIHW data, the current proportion of unused places across the South East Sydney region is estimated at 4.7% and is considered to reflect a natural vacancy rate. Therefore, the estimated number of occupied places across the catchment area is 2,533.
- As outlined previously in Section 3.2.2, a net addition of 132 aged care beds are assumed to become operational over the 2020 – 2026 period. This would lead to a total provision of some 2,659 beds by this time.

#### Demand

- Based on the New South Wales permanent residential aged care penetration rate benchmark and the distribution of age brackets across the catchment area, a total of 2,616 catchment area residents are estimated to require aged care places in 2020.



- In addition, a range of other factors are likely to drive demand for catchment area aged care facilities, including:
    - The **coastal attraction** of the catchment area or proposed site. In particular, the catchment area would be attractive for residents by way of proximity to local beaches and retail facilities, as well as the general popularity of the eastern suburbs region.
    - The possible **undersupply of places elsewhere** beyond the catchment area.
    - **Existing facilities which target a specific demographic** and, as such, would draw more thinly from a far greater region. Examples include the high proportion of religious facilities.
    - The location of many existing catchment area facilities on or near to the edge of the defined catchment area boundary. Facilities just beyond the catchment are likely to draw a proportion of residents from within the defined Randwick catchment area, while those within the catchment and near the boundary (such as Frederic House and Sir Joseph Banks Aged Care Facility) are likely to **draw substantially from beyond**.
  - Based on this, a weighted average of 18.4% of existing aged care residents are assumed to have come from beyond the defined catchment area. This would indicate estimated additional demand for some 482 places in total for 2020. This also aligns with investigations into existing customer origins for the existing SummitCare facility.
- ii. Based on this analysis, the aged care market across the catchment area is currently considered to be in a state of undersupply of some 565 places (i.e. supply not meeting demand). If no new aged care beds were to be added to the catchment area, projected population growth and ageing would lead to an indicative undersupply of some 2,407 places by 2036.
  - iii. This represents net additional demand for some 85 aged care beds per year within the catchment area from population growth alone. Assuming the net addition of some 132 aged care beds to the area by 2026, there would still be an indicative undersupply of some 897 beds by this time, increasing to 2,275 beds in 2036.
  - iv. It is important to note that this analysis is indicative only and does not take into consideration a range of mitigating factors which are likely to impact (and in most cases-increase) demand for permanent residential aged care, including:
    - **Changing Penetration Rate:** future change in the penetration rate for aged care across each aged bracket would impact demand.

- **Cannibalisation:** this analysis examines the indicative under/oversupply of permanent residential aged care places only. This does not factor in the possible cannibalisation of places by proposed market entrants on surrounding facilities. This is typically higher in areas with significant oversupply of beds, unlike within the subject catchment area. These impacts would affect the overall number of occupied beds in the catchment.
  - **Increased Life Expectancy:** longer lifespans result in a slower (less frequent) turnover of beds.
  - **Leakage:** given the current estimated undersupply of aged care places, aged care residents may currently be being lost to facilities located beyond the catchment area. Leakage will always occur, despite the provision of places within a catchment, however, can be greatly reduced through increased supply and quality (i.e. retention).
- v. Overall, these findings are in-line with investigations by this office into the vacancy rate of existing aged care facilities within the catchment area. The indicative level of supply and demand in the context of a large catchment area reflects a market which is significantly undersupplied and likely to worsen over time.
- vi. If current facilities are not continuously upgraded within the catchment, newer facilities beyond the catchment are likely cannibalise catchment offers and trigger further leakage from existing facilities whereby a growing number of prospective aged care residents are not retained.
- vii. A unique, modern redevelopment of the subject site such as that proposed, coupled with an attractive location could also draw significant additional interest from beyond the defined catchment area.

**TABLE 3.12. PERMANENT AGED CARE DEMAND ASSESSMENT, 2011 – 2036**

Component	Estimated		2020	2021	Projected		
	2011	2016			2026	2031	2036
Proportion of Catchment Area Population							
< 65 Years	86.7%	86.5%	86.6%	86.5%	85.8%	84.9%	83.8%
65 – 69 Years	3.8%	4.1%	3.7%	3.7%	3.9%	3.9%	4.0%
70 – 74 Years	3.0%	3.2%	3.4%	3.3%	3.2%	3.4%	3.6%
75 – 79 Years	2.3%	2.4%	2.6%	2.7%	3.1%	3.0%	3.0%
80 – 84 Years	2.1%	1.8%	1.8%	1.9%	2.2%	2.5%	3.0%
85 – 89 Years	1.4%	1.3%	1.2%	1.2%	1.2%	1.4%	1.7%
90 + Years	<u>0.7%</u>	<u>0.7%</u>	<u>0.7%</u>	<u>0.7%</u>	<u>0.7%</u>	<u>0.8%</u>	<u>1.0%</u>
Residents Aged 65+	13.3%	13.5%	13.4%	13.5%	14.2%	15.1%	16.2%
Catchment Area Population							
< 65 Years	288,047	321,581	349,732	354,482	372,930	386,151	395,774
65 – 69 Years	12,570	15,128	15,007	15,250	16,841	17,906	19,039
70 – 74 Years	9,994	11,830	13,595	13,718	13,808	15,315	16,987
75 – 79 Years	7,771	9,086	10,426	11,015	13,385	13,683	13,988
80 – 84 Years	6,908	6,657	7,417	7,684	9,390	11,525	14,145
85 – 89 Years	4,674	4,723	4,789	4,807	5,311	6,433	7,794
90 + Years	<u>2,426</u>	<u>2,735</u>	<u>2,774</u>	<u>2,784</u>	<u>3,075</u>	<u>3,726</u>	<u>4,513</u>
Residents Aged 65+	44,343	50,159	54,008	55,258	61,810	68,589	76,466
Supply of Residential Aged Care Places			Existing		Projected		
Total Places			2,657		2,681		2,789
Natural Vacancy Rate (ACPR Region)			124		125		130
Est. Occupied Places			2,533		2,556		2,659
Demand for Permanent Aged Care		Penetration Rate %*	Existing		Projected		
< 65 Years		0.03%	100		101		
65 – 69 Years		0.6%	85		87		
70 – 74 Years		1.2%	163		165		
75 – 79 Years		2.6%	272		287		
80 – 84 Years		6.2%	460		477		
85 – 89 Years		13.9%	666		669		
90 + Years		31.4%	<u>870</u>		<u>873</u>		
Total			2,616		2,658		
Demand from Beyond Catchment		Est. Proportion %					
Residents Beyond Catchment Area		18.4%		482		490	
Indicative Oversupply or Undersupply							
Total Indicative Under/Oversupply			-565		-591		-897
• With SummitCare Randwick (-4 beds)			-565		-591		-901

Source: ABS Catalogue 44300DO030\_2015, Department of Health - Aged care data snapshot 2019 Fourth Release



# 4 NEEDS ANALYSIS

The final section of this report summarises the key conclusions of the needs assessment for aged care facilities at the Randwick site.

‘Need’ or ‘Community Need’ in a planning sense is a relative concept that relates to the overall wellbeing of a community. A use is needed, for example, if it would, on balance, improve the services and facilities available in a locality. The reasonable demands and expectations of a community are important, therefore, in assessing need.

## 4.1. Supportability of Aged Care Facilities

- i. Based on the information outlined in this assessment, there is significant capacity for existing and additional aged care facilities within the Randwick catchment both now and over the long term. There is strong potential for aged care facilities at the subject site, based on the following:
  - **Site Location:** the high-profile location of the site in close proximity to key retail, community and health facilities would be a key attractor, as well as the desirable nature of the eastern suburbs for prospective residents.
  - **Significant and Growing Demand:** population growth, as well as the trend of ageing population is likely to add significantly to demand for aged care facilities, with a projected undersupply of some 2,275 places by 2036.
  - **Vacancy Rate:** a review of unused places across New South Wales highlights a low level of vacancy in the South East Sydney.
  - **Existing Performance:** given SummitCare are preparing to reinvest heavily into the subject site, this would generally indicate strong internal outlook for the future prospects of the facility and proposed development.
  - **Existing Supply:** aged care facilities within the catchment area are limited in number (particularly in and around the suburb of Randwick) and characterised by relatively low vacancy rates.
  - **Quality of Competing Facilities:** a review of competing aged care facilities indicates that several are tired or old and are likely to require refurbishments/upgrades.

- **Proposed Developments:** there is currently only two planned aged care developments across the defined catchment area. As outlined previously in Section 3.6, these developments will result in a net addition of 132 aged care beds, leading to a total provision of some 2,789 beds by this time.
  - **Existing and Planned Site Composition:** the redeveloped subject site is likely to provide a point of difference as one of the most modern, best-in-class facilities in the region.
  - **Retention:** an enhanced, quality aged care facility would expand the reach of the subject site and promote the area as an idyllic location, thereby reducing the level of leakage occurring to competing facilities beyond the catchment area and Randwick LGA.
- ii. Based on the previous demand assessment in Table 3.12, at least 2,407 additional places could likely be supported across the catchment area by 2036, not taking into consideration cannibalisation, leakage and changing penetration rates. This increased demand is projected to be met with an increase in supply of just 132 places in the short to medium term. Even assuming the market was currently at equilibrium (rather than the actual undersupply), a net additional 1,710 places will be demanded across the catchment area over the period to 2036.
- iii. Overall, it is considered that there is strong need and demand to support the proposed aged care redevelopment at the subject site to ensure a quality offer is provided to meet the demand of changing demographics.

## 4.2. Impacts

- i. This sub section of the report outlines the likely implications for competitive facilities from the proposed development. It is relevant to note that in any impact assessment it is difficult to precisely model the outcomes given the existing facilities can undertake a number of actions to limit the impact:
- Refurbish/improve existing facilities.
  - Expand existing facilities.
  - Implement retention initiatives.
  - Provide additional staff or training to improve services.
  - Leverage the location or co-location of facilities.
- ii. However, indicative impacts can be viewed in the context of supply and demand, as outlined previously in this report.

## **Aged Care**

- The redevelopment of the subject aged care facility of 90 beds in the catchment area would actually represent a slightly decreased provision of 4 beds across the catchment area. In this sense it would not impact on any other facilities by way of increased capacity.
  - Further, demand for aged care facilities within the catchment area is projected to grow by some 85 aged care beds per year. In this respect, the entire Randwick development would represent less than one year of aged care demand even if no places were currently provided on site.
- iii. Impacts on other aged care facilities throughout the area, therefore, would be negligible.
- iv. Considering the subject development is an existing facility, current residents are likely to simply be 'transferred' to the new facility. Projected impacts from the proposed development would not threaten the viability or continued operation of any facility. Further, there would be no depletion or dilution in the range of services which are available to residents.

## **4.3. Employment**

- i. The proposed development would result in a range of important economic benefits which will be of direct benefit to the local community. This includes significant positive employment impacts, as follows:

### **Ongoing Employment Generation**

- Given the proposed development would be a redevelopment of an existing aged care facility, ongoing employment levels are not assumed to change from current levels.
- In reality, a modernised, larger (GFA) facility with an enhanced range of facilities and amenity will employ a greater number of staff on an ongoing basis. Consequently, assuming no net additional ongoing employment should be considered a 'conservative' approach.
- Table 4.1 summarises the projected level of ongoing employment likely to be generated by the development. The employment benchmarks (jobs per 1,000 sq.m) used to calculate the indicative total jobs generated is based on typical floorspace, such as 25 employees per 1,000 sq.m (in-line with industry benchmarks)
- As outlined previously, the aged care development is planned to comprise around 6,292 sq.m in combination. The development is projected to employ around 157 persons in total on an ongoing basis. Again, net additional jobs is assumed at 0.
- Based on Average Weekly Earnings data released by the ABS in November 2019 (Cat. 6302.0) for healthcare and social assistance workers, permanent employees would earn combined total



salary/wages of some \$13 million at the site, reflecting salary/wages for the local economy, as a result of the development.

### Construction

- Construction of the aged care facility is estimated to incur total capital costs of some \$25 million, generating significant employment within the construction and associated industries during the development of the project.
- By using the appropriate ABS Input/Output Multipliers that were last produced in 1996/97 and a deflated estimated total capital cost of construction of \$14.4 million (i.e. in 1996/97 dollars), it is estimated that the construction period of the proposed development would directly create some 101 full-time, part time and temporary jobs over the development timeline (refer Table 4.2).

### Multiplier Effect

- In addition to this direct employment, multiplier effects will flow through the local economy and indirectly generate additional employment opportunities through ancillary businesses/suppliers that support the development and services, as well as additional consumption expenditure by workers employed within the precinct (spending wages).
  - Again, by using the appropriate ABS Input/Output Multipliers that were last produced in 1996/97 and adjusting for inflationary and other changes to present, it is estimated that an additional 162 jobs will be created indirectly.
- ii. Overall, some 263 jobs are likely to be created both directly and indirectly resulting from the subject development. Again, this figure is considered to be a conservative estimate, given a modern, larger facility would likely require additional ongoing staffing levels (not assumed.).

**TABLE 4.1. ONGOING EMPLOYMENT GENERATING FLOORSPACE**

Component	Total Floorspace (sq.m)	Employment Potential		
		Employm. per 1,000 sq.m	Indic. Total Jobs	Net Increase <sup>1</sup>
Aged Care	6,292	25.0	157	0

1. Indicates the estimated number of net additional ongoing jobs as a result of the proposed development

Source : Australian National Accounts: Input-Output Tables 1996-97, Cat 6302.0 Average Weekly Earnings, Australia

**TABLE 4.2. CONSTRUCTION GENERATED EMPLOYMENT**

Metric	Total
<b>Estimated Capital Costs of Construction</b>	
Estimated Capital Costs 2019/20 (\$M)*	\$25.0
Estimated Capital Costs 1996/97 (\$M)	\$14.4
<b>Direct Employment Generation</b>	
Construction Jobs per \$1 million (2019/20)	4.04
<b>Total Construction Jobs<sup>1</sup></b>	<b>101</b>

Source : Australian National Accounts: Input-Output Tables 1996-97

Employment totals include both full-time and part-time work. Indicates the estimated number of jobs over the life of the construction project plus ongoing multiplier effects, for the equivalent of one year

**TABLE 4.3. ESTIMATED TOTAL EMPLOYMENT GENERATED**

Metric / Category	Est. Net Employment Increase	Employment Multiplier Effects	Total Employment
<b>Ongoing Employment from Planned Floorspace</b>			
Aged Care	0	0	0
<b>Construction Phase</b>			
Direct Employment Generation	101	162	263
<b>Net Additional Employment</b>		<b>162</b>	<b>263</b>

Source: SummitCare

1. Net increase includes an allowance for reduced employment levels at impacted centres estimated at 10% of the total increase

## 4.4. Net Community Benefits

- i. It is the conclusion of this report that a substantial net community benefit would result from the development of the proposed SummitCare aged care and retirement living development at Randwick. Offsetting insignificant trading impacts on some existing facilities, there are very substantial positive impacts including the following:
  - **Enhanced Range:** significant improvement in the range/quality of facilities that would be available to local residents in terms of services, choice and amenity.
  - **Amenity & Vibrancy:** the proposed development would provide improved amenity, design and aesthetic for the local residents by way of a new and modern development. The revitalisation of the old and under-utilised site also improves enjoyment of private or public areas. Additional customer flows and vibrancy created through the precinct would positively impact on the other retail and non-retail facilities within the area.

- **Best in Class:** the project will be a best-in-class facility for the local area and be at the forefront of development within the sector.
- **Retention of Residents & Visitors:** the provision of enhanced facilities to an undersupplied catchment and high vacancy rates would result in the retention of residents (and visitors) currently relocating or frequenting other facilities beyond the region.
- **Employment, Income & Economic Activity:** the local community will experience direct impacts and benefits originating from construction and operation of the proposed development, including the creation of some 263 jobs as well as additional economic activity (revenue, sales etc).
- **Third Place:** the development would provide the local community with additional facilities that would serve as a 'third place', or informal settings where people can meet or be comfortably alone while still engaging socially with the community. This provides additional opportunity for social integration and increases prospects of more seamless interactions between the community, which is important for health and wellbeing.
- **Community Aspirations:** the development also aligns with broader aspirations for the community, responding to core issues and reflecting a new positive vision/narrative for the area in several ways, including challenges presented in the *The Randwick City Plan*:

*"We continue to plan for an increasing number of older people, as indicated in our national demographic trends, and tackle social and income inequalities as part of a whole of government approach. The provision of health and wellbeing information and access to community services by those in need of social support are also key areas of focus."*

- ii. It is concluded that the combination of the substantial positive community and economic impacts serve to more than offset any minor trading impacts that may be anticipated from the redevelopment of the subject site.



02 8248 0100

Level 6, 56 Pitt Street, Sydney 2000

[Locationiq.com.au](http://Locationiq.com.au)