

**COMMUNITY DEVELOPMENT AND JUSTICE
STANDING COMMITTEE**

**INQUIRY INTO THE ADEQUACY AND FUTURE DIRECTIONS OF
SOCIAL HOUSING IN WESTERN AUSTRALIA**

**TRANSCRIPT OF EVIDENCE
TAKEN AT PERTH
WEDNESDAY, 16 MARCH 2011**

Members

**Mr A.P. O’Gorman (Chairman)
Mr A.P. Jacob (Deputy Chairman)
Ms M.M. Quirk
Mr I.M. Britza
Mr T.G. Stephens**

Hearing commenced at 10.03 am**HARDING, MR VAUGHAN****Chief Executive, Uniting Church Homes, examined:****MUSKETT, MR GLENN ELLIOTT****Chief Executive Officer, Braemar Presbyterian Care, examined:****GLICKMAN, MR RAYMOND BARRY****Chief Executive Officer, Amana Living, examined:**

The CHAIRMAN: Good morning, gentlemen. This committee hearing is a proceeding of Parliament and warrants the same respect that proceedings in the house itself demand. Even though you are not required to give evidence on oath, any deliberate misleading of the committee may be regarded as a contempt of Parliament. Have you completed the "Details of Witness" form?

The Witnesses: Yes.

The CHAIRMAN: Did you receive and read an information for witnesses briefing sheet regarding giving evidence before parliamentary committees?

The Witnesses: Yes.

The CHAIRMAN: Do you have any questions relating to your appearance before the committee today?

The Witnesses: No.

The CHAIRMAN: Thank you very much for coming in this morning and giving us the benefit of your knowledge. Have you anything that you would like to put to the committee before we start throwing questions at you?

Mr Harding: It might be helpful for the committee to have a bit of context. All of us are primarily care providers for elderly people. That is where the main energy and focus of our organisations are targeted. However, particularly since the Whitlam government, when major funding was provided for housing, we have also been quite significant providers of housing for older people for many decades. Our view of the world is primarily about care. But, increasingly, as the baby boomer generation approaches us, we are looking again at our models of care, and the primacy of housing is something that we are refocusing on and reconsidering in terms of how care ultimately will get to people who may need it. So, the context for us is not just about waiting lists held by government departments or the general malaise of many working families who are trying to achieve housing in our environment. We have a longer term view about housing being one of the underpinnings of a civil society, about how care and services can be delivered to people as they require it, about the urgency of looking again at our limited urban planning and about how we construct and develop communities, because it appears as though we have a lot of lessons to learn in terms of mistakes we have made in the past. Our focus actually is quite broad in terms of how we see the general issue of housing.

The CHAIRMAN: Do you mind just briefly giving us a bit of an outline of your model of care and your model of, I suppose, independent living in those houses that you provide to seniors and elderly people in the community?

Mr Harding: I will use a few phrases that our sector uses. One is “ageing in place”; another one is “universal design”. We have a view that if you have a close look at the physical construction of housing to make sure that you remove as many impediments as possible for people who might become frail or for younger people who have disabilities, you will see that that housing stock has relevance for the longer term. Then, if you make sure that how you connect houses and how you relate houses to each other create the possibilities that communities of people can easily connect and relate to each other, you are often able to create a more self-sustaining living environment. We know from the work that we have been doing looking at the baby boomer generation, for instance, that they have an abhorrence of institutionalised care or residential care, as we would describe it. We know that they are largely in denial of getting older. We know that they have changed the marketplace in every area they have touched along the way, and they will change our marketplace significantly as they arrive in large numbers over the next two or three decades. We are having to look again at what are those primary building blocks that all people value and how we go about reconfiguring how we use our resources to meet people’s needs in a different way with a different use of both physical product and human resources to make sure that we are providing not just the lowest common denominator, but real options for people that they are happy with and will be content with. Also, we know because of the general economics of an ageing community that often you cannot continue to do what you have been doing in the past, because often a country cannot afford it. Certainly, in this country we know that labour is already scarce and will become increasingly scarce as society ages. The burdening demand of older people will have a significant impact on that labour, so we need to find other models to make sure that they are not so labour intensive as we have today. There are significant challenges that we are looking at in terms of how we move forward.

The CHAIRMAN: On the physical construction of the house, I assume you are talking about wider doors and ramps for wheelchair access and those sorts of things. Is there anything else in particular that you think needs to be added to or removed from housing to enable that longevity of housing?

Mr Harding: They are many of the key factors, as well as making sure that the liveable space is all downstairs so that people can survive in that space, the removal of stairs, and putting into a place the kinds of fittings, such as taps et cetera, that are easily used by people who have some limited function. Yes, toilets, showers and wet areas should be easily useable. Some of the more advanced designs that we have seen in other places, such as Canada, have gone to the extent of making sure that benchtops et cetera are adjustable so that a person in a wheelchair or a person on a frame can still utilise that normal workbench area.

Mr Glickman: I suppose technology as well is increasingly important. There are approaches to new technology that allow people to switch lights on and off by clapping. There are light sensors that can obviously allow people to get around a house easily. There is a whole range of different things whereby technology is going to become important to allow people to continue to live in their own dwelling.

Ms M.M. QUIRK: On that technology subject, you would expect the baby boomer generation to be reasonably attuned to that technology. But, conversely, sometimes if there is too much technology in a house, elderly people have some trouble dealing with it and understanding it. Obviously, you are an expert, but it seems to me that sometimes increased technology may cause as many problems as it is attempting to solve.

Mr Glickman: I think it can, but it is probably the experience we all had when we were buying some new piece of equipment that does a hundred things but we only really want it to do three and we only really understand three. The beauty of it is that things can be switched on and off and activated when needed. I think it will become an increasing part of daily living, but also it will be an increasing part of health care. Vaughan spoke of labour shortages, and they will be particularly problematic in the health sector. The opportunities for remote monitoring of people’s health and

remotely checking up on people, if you like, in a nice way will become quite important. They are important tools for what people really want, as Vaughan said. People increasingly want to stay in their place of choice for as long as possible. The more that technology can be applied, the easier it is for them to do what they prefer to do.

The CHAIRMAN: Have you done any work on additional cost? I have just bought an extra wide doorframe and door for my house. Just because it went from 820 to 870, which is still a standard size, the price went up significantly. Have you done any work on the cost of the physical building of a house with these added attributes?

Mr Harding: I do not have figures, but to do a one-off, it always costs more. But when you are doing a whole series of housing and you specify up-front what your minimum requirements are, the unit cost is usually not significantly different.

[10.15 am]

Mr Glickman: Is it possible to add to the context that Vaughan was providing?

The CHAIRMAN: Yes.

Mr Glickman: We obviously are all not-for-profit organisations aligned to different faith-based organisations. A major focus that we have is on people who cannot afford housing in the normal commercial market. One of the major problems and issues that are challenging older people of lower means, if you like, is the very little low-cost affordable housing designed for older people that has been built in recent times. At one time, there were gifts of land and there were significant grants to help providers construct new affordable housing. But in more recent times it has become increasingly difficult. I think it is true to say that very few of our fellow organisations have been able to build anything other than what is called lease-for-life retirement villages, which are akin to sales. This is a very serious problem that concerns us greatly in that our mission is to assist people who cannot compete in the commercial market. There will be very large numbers of older people, including baby boomers, who come through the system who will not have the assets to own a property when they come to their retirement age. We think that one of the most important needs in the future is to work out as a society how this group of older people are going to be housed properly. As Vaughan said, we have become more conscious in our industry of the centrality of housing to health, lifestyle and wellbeing. Therefore, if nothing changes, there is going to be a significant underclass almost of older people who are at risk in the rental housing market. I think we all have experiences of being able to rehouse some of these people out of the rental housing market into our more supportive and protective locations. The sense of relief that people have is extreme. Some of our best experiences in relating to people are with those people who say, "Thank god I'm here now. I feel secure and I can start to rebuild my life." We are very concerned about a focus on affordable housing.

The CHAIRMAN: You said that you had gifts of land and that you undertook the building. Who were the gifts of land from? Was it from individuals or government?

Mr Glickman: A lot of crown grants were made for the purposes of aged care and housing. They enabled providers to then get their foot on a plot of land, which we will still benefit from. And then there were capital grants. Vaughan has a lot of history here. I think at one time they were two for one.

Mr Harding: That is right, yes. In the Whitlam years, under the Whitlam Labor government, there were two-for-one grants. It was before the Commonwealth-State Housing Agreement was really properly structured and working. The federal government relied on the not-for-profit sector to distribute and put on the ground a lot of the housing that was clearly required in the 1960s and 1970s. That is an interesting past to reflect on. But once those grants dried up, the sector started to change. What has happened probably since 1997 in the aged care area is that the policy settings that we have been working to have been so restrictive and it has been so difficult getting new care

services on the ground that a lot of service providers who would normally continue to work in the affordable housing area have had to go into developing user-pays retirement village accommodation, which has released funds to assist them with the development of care facilities. That has also undermined some of the supply that might otherwise have been available.

Ms M.M. QUIRK: Vaughan, you talked generally about baby boomers and what you anticipate will be happening, and you all might want to comment on this. Is sufficiently detailed demographic information available to you as providers; or, if there are gaps, where are those gaps and does that hamper your planning in any way? What additional demographic information would you like to see?

Mr Harding: The information is quite good. The ABS breakdown that is available now is significant. The numbers are quite firm. There is little variation in movement every time they have a look at it. The projections are reasonably stable, based on some assumptions. In some regions, the number of babies born in the past four or five years has been quite different from what they anticipated but is not having a big impact on the overall numbers. That side of it is actually not so hard. The more difficult side has been engaging with that cohort of people. There are about four different cohorts in the 1946 to 1964 grouping—all described as the baby boomers. The leading edge are the ones who often served in the Vietnam War and were the first edition of the drug, sex, and rock and roll team that society really saw and that publicly espoused that. We have had them on our doorstep now for probably a decade, because a good percentage have burnt themselves out or are dealing with the consequences of trauma from, for instance, the Vietnam War. We have seen the first edge and they have been a difficult cohort to respond to. The next group are largely still overseeing the care of their parents, so their general expectations and behaviours are reasonably well known to us, but how they will respond to their need for care is less clear because they do not want to talk about that. It is hard to get good evidence. There are a lot of focus groups.

Ms M.M. QUIRK: Who does those focus groups?

Mr Harding: You will find that individual organisations have done work, such as looking at their brand: is their brand relevant for the future? University studies have been undertaken to try to ascertain needs and expectations. There is a whole range of work, but having that solid base to work from to say that we have a really good profile and we know how to respond is still proving to be quite challenging.

Ms M.M. QUIRK: So the quantitative is there, but the qualitative is a bit lacking.

Mr Harding: Yes.

Ms M.M. QUIRK: The other thing I have observed, much to my horror, is what I call bracket creep downwards. The age for so-called retirement villages is now 45. Is that part of that strategy to try to engage people who think they might need to be in some sort of institution?

Mr Glickman: It is probably not a true reflection of what is happening. Basically, the average age of people going into retirement villages is very high. Our average age in a retirement village is 75 and going upwards. That surprises people. For example, in the City of Stirling last night, they were talking about who is likely to move into retirement village accommodation and whether they need to worry about people who are 55. That is not the people who are moving in; it is a much older age group. For that reason, they have associated care needs and support needs that also need to be provided to that group of people to enable them to stay there for a reasonably long period.

The CHAIRMAN: You have also had a bit of a trip around the world to look at affordable models, and certainly around Europe. Can you give us some background on that, where you went and why you went to these particular areas and the impressions, ideas and conclusions that you came up with? Have you written a report or is a report being written about that trip that we could have access to, if possible?

Mr Muskett: The tour was really in three parts. It primarily focused on affordable housing in England, and we visited about seven sites. The second phase was in the Netherlands and partly it was visiting some facilities in the Netherlands. We also attended a summit on social housing. Vaughan and Ray looked at the third part in the United States. In England, in a nutshell the impression that I came away with was that until that time it was a sector that had been very heavily subsidised either through government or through the work of long-established charitable trusts. There were substantial grants of land available and significant payments in rent subsidies to people who were below the relevant thresholds and could not afford to pay. The availability of land seemed to be not such a big issue. The cost of construction was dramatically less than what we pay here. We could not believe how low the construction costs were. Also, design was a little more innovative, and we probably saw more of that when we went to the Netherlands.

[10.25 am]

In terms of moving away from traditional-type construction to in many places what I would have called tilt-slab construction but on a high-rise basis, the quality of the product was excellent. One of the messages was that if we want to make changes, we need to look at how we construct housing. There are alternative ways of doing it, and we need to find ways of lowering the cost. One of the impressions I came away from the Netherlands was that, again, it was an area where there was high subsidisation—at least in the past. Overall, we were there right at the time of the pending austerity measures in the UK being announced, so that cast a shadow over the summit and our discussions with other people because they were uncertain what the future might hold. In the past, there had been very strong subsidies, either government subsidies, government guarantees, insurance funds and all those sorts of things. The take-away message for us was to end up with a product that goes to the market, to people, that is at a lower cost, and we cannot do that unless we have lower costs coming all the way through the system. It starts with the land and the building costs. It probably includes the design and a whole range of things. Another important element is the financing. Europe seems to have a very sophisticated and established finance market for housing. The scale is quite huge there. One particular person was talking about the organisation which he previously managed having 120 000 housing units, and he had gone to a quieter place which had only 80 000 housing units! When you are dealing on that scale, there are opportunities to tap into the equity markets direct and to raise funds on a more formal basis. If there are government guarantees attached to the fundraising, obviously that lowers the cost. A whole range of factors contributed to their ability to produce stock and deliver it so that the end product was one that is very affordable and a much lower cost. I did not go to the states.

Mr Harding: Would you like some statements concerning our purpose for your record?

The CHAIRMAN: Yes.

Mr Harding: Our purpose was to examine best practice international examples of engagement in housing and associated service provision by relevant not-for-profit providers to develop models and practical approaches that be can implemented in the Australian and WA context. Our approach was to explore examples across several jurisdictions in a thorough but timely and cost-effective manner and to take advantage of the different perspectives of several cooperating CEOs and to interpret the experiences and refine the learnings.

The proposition that we were working on, from our perspective, was that good quality housing for older people in accessible neighbourhoods can bring considerable benefits, not only to the lives of older people but in contributing to inclusive, safer, sustainable communities and support older people to live healthy and active lives, and can potentially mean longer term efficiencies across housing, health and care services. We had some quite strong underpinnings in how we approached looking at the matters.

We are still unpacking some of the learnings from the experience. In our other life we have the Productivity Commission report and inquiry and responses, and to be truthful we have not had the

chance to finalise some of our work, but we will have a report that will be available for other people to discern our learnings. Some of the general observations that we discovered include, interestingly, that heavy-handed bureaucracy clearly stifles innovation, and that some of the most innovative organisations we spoke to deliberately and actively stayed away from areas that are regulated, because in trying to meet people's needs, they found these barriers to be very difficult to overcome and absorb all of their energy when in fact they want to put their energy into providing a response to people's needs. However, the countries that have performed very well in terms of social and affordable housing have received very strong government support. I think in a sense we felt that probably we witnessed the end of the golden years and that most of those middle European countries are under the pump economically and are withdrawing support in a whole range of social programs.

Glenn raised the issue of building and building techniques. We would not see ourselves as experts in this area, but we are constantly building, renewing and interacting with the building industry. Our industry seems to lack innovation. The builders appear to be very risk averse and there seems to be a low level of interest in having real conversations about looking again and finding new ways to deliver product on the ground. That certainly seems to be causing problems for us. There also seem to be so many regulatory barriers which is expressed in building codes down to local government intervention, and it is also another major problem to get stock on the ground. We did not actually see the examples, but certainly we had conversations with people about the work that is happening at the moment about using mass production techniques in factories to build product. The Germans seem to have it down to a fine art with typical German efficiency in the use of cutting-edge technology and precise techniques that are very efficient and very effective and can create product that does not look like a north west donga. It is really quite cutting-edge, leading material. We know that the Chinese factories can produce this stuff if you give them the specifications. We have to look again about what to do because we have major problems, particularly in Western Australia, with labour—the quantity of it—and labour costs. As our community gets older the number of workers reduces. This is not going to get any easier. If we really want to get product on the ground, just doing what we have been doing in the past is not going to meet this growing waiting list of people without appropriate housing, or in a boom economy the cost of housing, which for us, for the older folk that we are looking at, is just not affordable. Paying \$375 a week if one is on a full age pension is just not affordable. People are falling out of accommodation now and it will only get worse. Continuing to do what we have been doing in the past is not going to get us where we need to be. We need to look differently and dramatically at how we move forward.

We also learnt quite a lot about complex and difficult—or what we think are difficult—work alliances. Often we would go to a housing development and there were four or five key players who had all worked together to deliver product on the ground. There are some learnings there that we need a bit more time to understand. Also the size of some of these philanthropic trusts in the UK and old Europe—we would like to have some of them! Some of them are 200 or 300 years old and they have these huge legacies. They can do things that government often is not prepared to do and smaller organisations cannot even approach. That certainly seemed to be a difference that they had that we do not have.

Just looking forward for WA, 42 per cent of people on the waiting list are older people, and that percentage will only increase as the demography changes.

The CHAIRMAN: Is that the Department of Housing waiting list?

Mr Harding: Yes; it will be 50 per cent next year. Given that that is a high percentage of shortfall, we think that the not-for-profit sector, which has significant capacity and has been around for decades, is a safe bet in terms of investment funds. There is significant untapped capacity there and we really need to find ways to activate our sector to become more involved in getting housing product on the ground.

Mr A.P. JACOB: How do you define older persons on that waiting list? What is the age cut-off?

Mr Harding: We use 65-plus as a general tool for housing; for care we use 70-plus, but we keep manipulating the figures according to what issue we are trying to tackle. If we are looking at heavy-duty care and support matters, we really are focused on the 80-plus group.

Ray has mentioned the event at the City of Stirling last night. We have major problems in dealing with local government in trying to get new ideas understood and accepted.

Ms M.M. QUIRK: What there a forum at the City of Stirling or a particular proposal?

Mr Glickman: It was a planning committee about policy, but there were a number of providers—both of our organisations are involved—who are finding it almost impossible to get the council to focus on broad social and community need and not on the immediate amenity of local residents, which of course is important, but local government needs to take a step up in terms of how it views its responsibilities to the community in general. Quite frankly, I would add into that the WA Department of Housing as well, because in terms of the dead hand of bureaucracy and the problems we have experienced with local government, we similarly experience them with the department. I will not name the project, but I will outline a project that our organisation has been involved with for a long time. Basically, it is refurbishing 44 older persons' units at a very minimal, reasonable cost, which would then free up 44 houses and families and move the older people into a supported environment. When you are trying to work your way through these projects, you get the feeling that risk management always triumphs over people's needs. We are trying to focus on how to get these people rehoused, and the problems are: Have we got the right agreement? Should we tie up all of your stock? The ministry of housing cannot hack this project being different from the others. You kind of tear your hair out when you know there are 45 families that would like to move into housing and we could look after those 45 older people better than in their current circumstances.

Ms M.M. QUIRK: I gather that has caused a delay?

Mr Glickman: Yes, an incredible delay. At some point it was seen to be impossible but we have had help at a political level. Where I am trying to go from here is that Vaughan has spoken about the capacity which organisations like ours have, the experience and the safe hands, if you like, because we are connected to the Church. As I said to people in the department, we are not going to run off with your money. We are in a position now perhaps to try and do some innovative, one-off type projects that fit the particular parcel of land that we have available. I am sure the best way to work with our sector would be to encourage, if you like, joint venture proposals to come forward. It is not to fit into some pre-set program with already pre-set rules and regulations about what you can and cannot do, but how about the approach where we would like to work with you to get more of this age group rehoused and the sort of things that you do. Who has got available land and the desire and capability, and what sort of project can we put together, and then let us measure it against some obvious criteria such as cost per unit, the speed that you could get it up and safety of the public purse. Let us go from the other way round and invite people to come forward and say, "I have a fantastic project that would work for everybody." It never seems to be that sort of creative attitude about how do we meet people's needs; it always seems to come from the other way around, which is, first, how do we manage risk and then, later on, will this work for people?

[10.40 am]

There is a huge amount of scope in our sector to do this another way. In that environment I can pretty much promise you—I am the chair of the peak body as well—that a number of the major organisations will be knocking on the door saying they have some great ideas.

Ms M.M. QUIRK: I would like some information from the experts, if you like. One of the issues about affordable housing is having it near services. There is a bit of a tendency for retirement villages to be on the urban fringe where the developers can have cheap land, but it is not necessarily close to public transport or probably to any family ties that people have or other facilities. At what

age does being close to public transport stop being an issue, or is that something that you always take into account?

Mr Harding: It is essential.

Mr Glickman: Yes, it is an essential part. Vaughan was talking before about how we try to create internal communities but also ones that are part of the broader community.

Ms M.M. QUIRK: Vaughan was talking about the culture in Europe and strong government support for this tier of housing. That tradition would not be in America. Is that filled by philanthropy or do they deal with those issues in some other way?

Mr Harding: Like most things the Americans touch, the American system is complex. It often depends on what state you are in, and what the local rules are. The system is very generous for people who are 65-plus. But leading up to that, you survive on your own. The best models that we saw in the United States were really to do with a couple of entrepreneurs who had gone it alone to meet the needs of people. They were not particularly focused on affordable housing, but focused on a very dysfunctional medical system and dysfunctional planning and a product available. We were sceptical initially when we saw the size of some of these places with 3 000 and 4 000 people, but having spent days in there and interacting with them, this quite visionary person had created some very successful functioning communities. There are lessons for us to learn there as well. I guess, given our background, that number of people, for us, seemed to be too many and would be creating almost a ghetto of older people, and we were quite surprised as to how well it worked, I can assure you. It is something we need to absorb a bit more to understand why this has been so effective. When it got down to things like accessing the medical system, basically their system works on the principle that if you have got money, you can get what you like; if you have not got money, then it is a lottery. They created their own medical centre. They had five doctors in one of the places we looked at, and the most meticulous medical records for people, meeting something like 85 per cent of all of their needs. It was only a very small percentage that were falling back to the larger system. They are extraordinary results, and something that we need to have a look at. A person who is 85 years of age goes to their GP and they are required then to visit a specialist and have tests; it is just impossible for people to navigate the system. There are a lot of other issues for us there.

The marketplace in the States is sort of dynamic, but it is cruel. Going from the Netherlands to the States, there is quite a difference in emphasis and about community wellbeing. There are some issues we can take in terms of learnings for this country, and there are other matters that are too removed from how we see the world and so are probably not that easy to apply. There were quite a few philanthropic organisations that underpinned what we would see as affordable housing in some of the settings that we went to. But our visit there was relatively short and we did not have the time to explore further what to do.

The more innovative programs in the States are probably more on the west coast than the east coast, particularly in California—San Francisco in particular—and probably we would need to do a bit more work there. I know some colleagues of mine did some work earlier this year and have come back with a number of ideas that are worth exploring. It would be helpful for this committee to know that there are a lot of people actively looking at some of these matters at the moment. Even though your committee is very much focused on housing, we have a general view that what we have been doing in the past is not going to cut it in the future and we need to be sourcing best practice, best ideas and innovative thinking to help us, I guess, to move forward and meet the needs of the community, which is not expressing itself that clearly to us at the moment.

Ms M.M. QUIRK: Where was this development with 3 000-odd residents?

Mr Harding: That was Baltimore.

The CHAIRMAN: Is one of our problems that we are not large scale enough? In all the countries you have talked about, everything seems to be on a much bigger scale. Our problem here essentially

is 20 000 houses, if you like. There are 50 000-odd people on the waiting list, but when you group them we are talking about maybe 18 000 to 21 000 houses. It is not really a large number in the scheme of things, so how come we cannot achieve that?

Mr Harding: We are a wealthy country for a start. We are a relatively small population and we have a huge landmass. There is no doubt that we have some logistical problems, but also we are incredibly urbanised. The majority of the country live in normal urban settings. There are many things that we can take from Europe, which is far more densely populated, and the scale often is different. There are learnings that we can bring to this country to deal with what seems to be quite a deep-seated problem that we have, which continues to get worse. But we cannot keep doing what we have been doing in the past to resolve it. That is the point that I have got to. I think that we need to be looking quite differently at this.

The CHAIRMAN: Are all your organisations—Ray, you might be able to talk for other similar organisations since you are chair of the peak body—primarily in the metropolitan area, or how far do you stretch into the regions; and what do you say to local governments such as Dongara that have in their vision to be a retirement centre and to try to attract organisations like yours and accommodation for older people into their towns? How do you interact with that and how do you get out into the more rural communities?

Mr Glickman: Our people in Aged and Community Services Western Australia represent all not-for-profit providers in the state and they have pretty much 100 per cent coverage of those. This is right across the whole state. Obviously, the circumstances of the Perth metropolitan area versus regional areas and remote areas are completely different. To some extent we see in the city that we have relatively large providers providing a whole range of different services across various sites. But as you move further out you find more and more one-off providers and very small organisations and community organisations. Most of our level of organisations also service some regional parts, more by accident than probably design, but it seems that the major church-based groups have spread themselves out across the state to help provide services out there. When we look at the overall picture, what we find is basically, as you well know, that the further you move away from Perth, the more problematic service delivery becomes. For example, when we are talking about construction costs in the retirement sector, or even in the care sector, they are amazing in Perth and astronomical further out. In terms of attracting labour, similarly during the 2007–08 period we had terrible trouble recruiting and retaining staff, which was magnified 100 times right out into remote areas. We almost have a discrete set of problems that also have to be solved out there.

I might try and segue into responding to your previous question about the fact that we are talking about size elsewhere and whether that is important. It certainly has been important in the places that we saw, but I think we have to work from the other way around and, as I said before, come from individual relationships and site-specific opportunity grasping, if you like, to find solutions that are going to work in a particular place. I personally think we have to overcome our lack of size by a greater level of creativity and flexibility to try and get the right solutions in the particular place and try and work on the enthusiasm and opportunities that come forward where people are prepared and want to do something.

[10.50 am]

Mr T.G. STEPHENS: I just want to go back to Baltimore so that I can understand that. The economics of that are underpinned by some innovative responses that have been driven by a number of individuals. What resources have those individuals drawn upon to make this come together? Is it support programs, individual income streams, or philanthropy? What is underpinning it?

Mr Glickman: They have developed a business model. They have used their huge scale to bring quality housing to the market at a good price. It is not what you might call affordable housing, but it is sort of middle range and priced housing. What they have done there also is that they have used that scale to drive margins into the business through selling services to people who are there. But as

Vaughan said, they are also giving back a huge amount in terms of building the community. For example, one of the great advantages there, in addition to health, is that through this scale, people have a high level of engagement. The example that I was given when I was there was that in a smaller sized community, you might be really interested in train spotting or stamp collecting or dressmaking, or whatever, and you will probably be the only one, but in this community, we guarantee you that we will have a huge club of people who like to do those sorts of things; and that was borne out. The usefulness of this is not that we can recreate it, but that it challenges our traditional thinking about what people want. We went there prepared not to like a community of this scale, and we went there prepared not to like the fact that it was not a mixed community of younger people and older people. But they were incredibly unapologetic about that, because they said, "What is so great about an old person living alone and being lonely?" The particular answer that I got, which I thought was fantastic, when I challenged them on the old person ghetto situation, is that they just looked at me and said, "Ray, did you have a good time in college?" The point they unashamedly make is that older people want to spend time mixing with older people and having fun together, just as we did not sit around at college and wish there were older people there with us. They are just challenging the basic way in which we are thinking about things. I think what they really are saying is that there are all sorts of people in the world, and we can make great communities, and large ones, and there are huge benefits for some people in doing that. So let us not just believe that older people are one type of person and everyone wants to live at home. We believe most Australian older people want to stay in the community. But there are excellent other options. In terms of satisfaction that people have, Vaughan and I were amazed, as we walked by with the owner and founder, at the responses that he got from people. They basically said, "I didn't want to come here, I wasn't sure what it would be like about, but it's changed my life". It is interesting to see completely different examples of how older people might live.

The CHAIRMAN: I have heard that exact comment when I have gone around with John Wood at his lifestyle villages. There are some issues there as well, in the way things are set up. The one I am thinking of is Lake Joondalup Lifestyle Village in Wanneroo. The people there seemed particularly happy with their lot at that particular time. The people at that village are 55-plus.

Mr I.M. BRITZA: Vaughan, you said that in Germany, there are a number of alliances that have joined together. Can you elaborate on what that means and what those alliances do, because I thought that was fairly encouraging?

Mr Harding: It is the United Kingdom, actually, where those alliances are. Often a couple of philanthropic trusts were sitting behind, providing capital funding; often an organisation capable of planning and development was involved in doing the design work, et cetera; and often the local authority was actively involved in the service range that would be offered; and then another independent service provider would be brought in to manage the facility.

Mr I.M. BRITZA: It is discouraging, because you would have thought that that is what local government would do.

Mr Harding: We were amazed at the number involved, and we asked, "How does this all work; why are you all involved; and does it add value or does it just make the project more difficult?" But the message was repeated a number of times that a significant number of players were involved. They seem to be doing that a lot better than we are, and we need to understand a bit more about that to find out what is the value added and what are the learnings for us, to see whether we are thinking broadly enough about proper strategic alliances to deliver final product to people; and, if we are not, how we can go about doing that. So, yes, it was a bit interesting. But one of the problems with it was that the people involved in the planning and design were often the people who we were not speaking to, and that made it difficult. We were speaking to the people who were there to manage the facility, and when we started to ask searching questions about "What preparatory work did you do, what needs were you trying to address, what process did you go through, and who did you

consult with?”—all that sort of stuff—they could not answer those sorts of questions. That was a bit frustrating from our point of view, because those early questions and explanations are very important, usually, to see whether a project is successful or not.

Mr I.M. BRITZA: I accept the argument about the baby boomers, because they must be coming in almost like a flood.

Mr Harding: yes.

Mr I.M. BRITZA: Why in your opinion do you think that the bureaucracy is such a wall and appears to be more of a stumbling block than an assistant in dealing with this very real issue and very real problem?

Mr Harding: That is a very good question. Of course, if government knew that, it would probably do something about it. There is no doubt that most of the major government departments are having big issues with staffing. Getting the skilled capable staff that you need in this environment that we are in, where people are being poached all the time, is difficult. We spend time with particular officers, and the next minute when we go back there they have all gone and we have to start again. That is a major problem in trying to move things forward.

Secondly, as a society, and in this country in particular, we have become so risk averse that the impact on the lives of people who actually require a response, not a 60-page instruction manual, is significant. The opportunity cost of a lot of this conduct and behaviour is significant. When you look at where is the risk, and who is it protecting, it is usually not protecting the client, the ultimate beneficiary of the service; it is usually protecting a minister, a department, a process or some other part of the system. Bureaucrats are really good at preparing this sort of stuff. They are not actually that good at getting product on the ground. What we are saying is that we need to look again at what is the minimum required to protect whatever, and identify what we are trying to protect, and how do we then encourage and work with those parts of the community that are interested in getting services and product on the ground, and what do we need to do to stimulate their interest and their involvement.

Mr Glickman: And older people are not particularly good advocates for themselves, either.

The CHAIRMAN: I would disagree with you on that entirely!

Mr Glickman: It depends on what you are talking about, maybe. For example, in terms of planning for care and future needs, we know that people are in denial to some extent about their need for it. That makes it difficult, then, for people to see specific projects as being relevant to them at some point in terms of putting more housing for older people on the ground, as an example. I think there is a problem with people wanting to identify themselves as part of that age group in relation to this issue. But one would expect that that would change as more of the baby boomer group moves into the serious cohort, because, as opposed to our parents' generation, our generation is more used to saying what we want and demanding what we want. I think that is part of the reason that authorities have ignored older peoples' needs, because older people themselves have not advocated well on that issue.

The CHAIRMAN: You mentioned Europe and the government funding and government guarantees. Have you had access to the recent NRAS program? Do you have ways of putting houses on the ground because of that program, or is that something that is out of your reach? Is it tailored for your organisations; and, if it is, could it be better tailored for your organisations?

Mr Muskett: I think both Ray and Vaughan have participated in it. We have not, for another reason that I will perhaps come back to, and that is land availability, which for us is an issue. In terms of NRAS, I have no direct experience.

Mr Glickman: It is a useful program. It enabled us in one case to bring back into use a village that we could not afford otherwise to do. So that has been really fantastic. That was a relatively simple

project to engage with. The rules are fairly simple and sensible, really, and if you qualify, you can get on with it. So we were able put that on the ground really fast. I suppose the issue with it, though, is that it lasts for 10 years in terms of the funding, and what happens after that? But it has certainly made a difference to us and we were able to take good advantage of it.

Mr Harding: My only comment about NRAS is that it does not really assist to get new product on the ground. But it is suitable for renovating old existing product.

Ms M.M. QUIRK: In terms of commonwealth rent assistance, that is not available, as I understand, for aged residential care. Do you contemplate that there could be a change there, or do you see that some other finessing of the system might be useful in your sector?

Mr Glickman: Commonwealth rent assistance is available to some of our developments for some of these people. I think that is really important. That came across strongly on our trip as well. We went on our trip wondering what we were doing wrong and why we were not able to put more social housing on the ground. But I suppose we drew the conclusion that there was a lot of capital funding coming in from either government or charitable sources, but also that the level of rent assistance was that much higher. I think we calculated it in the UK as being about 20 per cent higher than in Western Australia Australia. That made a big difference in terms of an income stream for providers who are trying to provide at the more affordable level. I think that is a really important part. It is not just the capital side. It is actually about supporting people paying a rent that will make a project viable.

Ms M.M. QUIRK: The other thing—you have alluded to this; more than alluded to this—is local governments and the impediments that they impose on getting construction projects up and running. What would you say the most significant barriers would be? Are they planning controls; and, if they are, how do you think they could be overcome? What are your suggestions?

Mr Glickman: They basically are planning controls. We see, from our perspective, light at the end of the tunnel with the development assessment panels. Obviously they are going to take out of local governments' direct control, if you like, some of the larger projects. I personally think that will lead to a more rational planning system and outcomes. I speak also as a former chief executive in local government, so I guess I know the planning system pretty well. It is not just that side of it, though. It is that when planning schemes are being developed and when policies are being developed, local governments seem to take an incredibly narrow view—I think I have said this before—where they say, “Our role is amenity protection for people who are already here”, and do an inadequate job of their other responsibility, which is to plan for the needs of future communities. It seems almost as though older people are invisible, and that local governments are not actually planning for how older residents in their municipalities are going to be housed in appropriate housing and communities into the future. So it is all very much a case of feeding the nimby.

[11.05 am]

The CHAIRMAN: Do local governments not see it as their role to provide a framework for their communities in the future? You say they are protecting the amenity at the moment. I assume that is about, “This is my house, and nobody can touch it; I don't want anybody overlooking it; I don't want a huge retirement village at the end of my street because it will cause extra traffic.” That is the sort of nimby stuff that they go on with. Why are they not getting into the fact that, to survive, they need to population plan for the future and plan how they are going to house those older people and the families that are coming up?

Mr Harding: I think “Directions 2031 and Beyond” and its predecessor in terms of network housing were designed to try to get local government to focus on how it will absorb a quantum of population; and I think that is the right way to go. But I think in practice there is a disconnect between the planning process of saying, “What do we need?”, and even in terms of developing older persons' policies, and the actual planning controls that are put in place. So they do not

necessarily then drive the planning controls to the point of saying, “Okay, if we need to absorb 20 000 more people into this particular area, what does that mean on the ground in terms of this area and that area and what controls we need to have?” It does not penetrate that far.

Mr A.P. JACOB: There is a flipside to that as well, though. If I can put on my previous local government hat and give an example from my own electorate—I think it might be one of your sites in Currabine—the council has given at least one approval, if not several, for that site for aged care, and yet the site remains vacant. What are the other issues that you guys might be facing? There must be circumstances for all of you where local government has given you the green light and you still have not managed to get it off the ground.

Mr Harding: I think Glenn can answer that, as a former banker.

Mr Muskett: I have tried to forget that! Essentially, it comes down to the economics of residential aged care. The funding comes back to capital in the first instance. There just is not adequate funding. On a very generous basis, the cost of supporting a resident in an aged-care facility is \$42 a day. The current commonwealth subsidy is \$28 a day. So that clearly identifies a problem. Western Australia has huge building costs. The commonwealth assumption is around \$125 000 per residential bed placement. The Western Australian construction cost is at least \$250 000, and that does not include land. So there are all those economic factors that are making it not viable.

Mr A.P. JACOB: I am talking about a specific site. The block is already owned. It is a very large block, and there is the complete suite, from independent living units right through to supported care. It is a very large site. It is perfectly located right near the train station. Yet five years later, after the initial approvals—I think there have also been a number of approvals that have lapsed—nothing has happened.

Mr Harding: It is difficult for us to answer in relation to a particular organisation. It might have lost money in the GFC. I do not know what has happened there. My organisation runs services from Geraldton to Albany. We deal with a lot of local government authorities. There are certainly structures that can be put in place that will make far more effective use of councillors and council time and the role of officers in the council. By way of example, at the City of Geraldton, all planning matters are dealt with by the officers. They are delegated by the council to the chief executive. There are clear guidelines to be followed. If people object to a decision that is made, then it is the officers’ understanding of the guidelines and how they have applied them that are the matters that are tested. Councillors do not have discussions about development applications and those sorts of matters. That council has dealt with that in a very different way. It works. But where we have this lowest common denominator factor, which we have in most of our local government authorities, where people who are councillors have no understanding of the design guidelines or the planning guidelines, and have no intention of adhering to them, and just keep raising red herrings whenever you are trying to resolve a situation, then organisations just decide that they could spend their time more productively elsewhere, and so that community ends up missing out; they move elsewhere and put their resources elsewhere.

Mr A.P. JACOB: I appreciate that that would be a problem that you often face as well. But the flipside of that is that you also have councils that engage proactively and that will give you the complete green light, and from their point of view there is going to be a level of frustration because they continue to have vacant sites year after year, and residents get upset about that as well, so they have to deal with those pressures, when they are doing everything in their power to make it happen.

Mr Harding: Without knowing what has happened on that site, as a general statement, for the aged-care sector in this country the policy settings that we have been working to are exhausted; they have not worked for the last few years, and we will not get a lot of action until they are fundamentally changed. So what we are waiting for now is to see what the political response is to the general thrust of the Productivity Commission recommendation. This is our once-in-a-lifetime

opportunity to bring fundamental reform to our sector to meet the needs of an ageing community. If we do not grasp this opportunity now, we will be in deep trouble.

The CHAIRMAN: Now that you have mentioned the policy setting about aged care, we have been told that the whole of the aged-care industry is trying to get people out of aged-care facilities and provide for them in their own homes. Can you comment on that? Can you tell us, if that is the case, what are the drivers for that particular attitude; what support would then be needed to be funded; and what are the comparative cost benefits of that strategy, compared with how it works at the moment, for the government, for the agencies and for the individuals?

Mr Harding: There is a good body of evidence, I think, about people's preference to remain in their own homes. That is not just in this country. The issues are: what is the quality of life and what is the safety factor for them? Those matters are like a work in progress, I suppose. We are hoping that a lot of the new technologies that will be available will assist us with some of that work. But we also need some sophistication of how we deliver services to people in their home settings. The trouble here in Western Australia—I think many of the states reflect this—is that poor planning in the past has created low-resourced suburban environments that are not easy for people to live in—transport is not directly available, and shops are not nearby. The tendency in a lot of new suburban developments to create brick walls and security fencing means that older people who are living in those streets end up being incredibly isolated. We have some structural issues, too, in terms of the preferred model and how we might deliver that into our communities.

The residential care sector will continue to have a role to play. We are getting better at meeting higher levels of care and support for people in their own homes. But there are groups of people who have needs that we cannot safely meet in those settings. If a person has advanced dementia of some kind and is a wanderer, it is very hard to respond to that, as it is to people who have very unstable medical conditions et cetera. So the residential care sector will continue to have a future. What our deliberations are about at the moment is to say, "Our existing suburban structures are generally not that good in terms of ageing in place, and our institutional settings—our residential care settings—are pretty unattractive to the next cohort looking for services. What are we going to do about providing some middle ground? How can we create more capable, self-sustaining communities? What kind of environment do we need to create? Then, for people who cannot be properly supported readily in the mainstream, what are the additional services that we need to be providing that will meet that higher care cohort that I have previously described?" That is sort of the journey that we are on at the moment. People are looking at and trying to pilot different ways of doing this.

[11.15 am]

One of the frustrations that Amana Living and my organisation has had is that the City of Stirling environment that has been spoken of was one of the early models that we were trying to get on the ground to test the assumptions and to see how far we could go, and to see what the acceptance is of that next generation with the model that we are offering.

The CHAIRMAN: Would you mind just describing that model that you are trying to get on the ground that is different and new?

Mr Harding: Well, the core of it is the house, as we said in our opening comments. If you get the design of the home right, then 95 per cent of people can stay there til their last day. Then you have to add to that the positioning of the housing, so that you create easy connection and reduce isolation of people living there. The third iteration is that you provide easy access for the community to come to and utilise some part of the amenity, so you get a balance between public and private space. If you get that balance right, you have a very functional community that will meet most people's needs til their last days. That is a really capable ageing-in-place type of amenity, and if it works well it takes a significant burden off other systems that we have to support people.

Mr Glickman: I think it helps to get some level of scale into a development like this, because in our system, with 120 or 130 units you can provide a community facility of a sufficient standard with, for example, a pool, a gym, and the opportunity to bring in visiting medical services and things like that. But increasingly, as we want to support someone to stay in that housing right through to the end, it is the ability to package together services and ramp them up for people. They might be basic things like moving into more of a serviced environment so that the meals are provided or that the linen is done or the cleaning is done or whatever, up to then putting in some sort of personal support and nursing support. Where we are trying to redevelop, we are trying to put a reasonable number of units together so that we can get that sort of critical mass to make it work as a real community and to make it viable. It is important on some of the urban sites that there is some reasonable level of density allowed, to make that happen.

The CHAIRMAN: Is that not following the for-profit organisations? A number of them have done that; they have set up their villages with independent living units, and then you have probably much higher density, so they can provide clubrooms and pools, and then they eventually provide high care. That is a model that happens in Wanneroo, which is pretty close to my electorate, with the for-profit organisations. Are you following that model but are you trying to do it on a budget, so to speak?

Mr Glickman: I think we are trying to work in both parts of the market. Most of our organisations operate both in the middle range of the market and at the very affordable level. Because of the economics of the entire aged-care sector that my colleagues have already spoken about, we need to be in that middle market to try to generate some cross subsidy opportunities, so it has been important to us to be in that market. But I think it is important to realise that this is an important part of having the whole housing sector work, because at this middle level that we operate in, you are allowing people to make a change from their family home, to downsize and move into something more convenient and something more supportive, and release some capital for themselves to do what they want to do at that stage of life; and, in terms of the entire housing market, this frees up more family-sized homes for other people. All in all, it is a sort of a development process that actually works quite well on a broader basis. But I suppose the important difference between for-profit organisations and ours is that when we plan in that space, we are deliberately using that as a cross-subsidy tool so that we can do more in the affordable housing area.

Mr A.P. JACOB: To bring that back to a direct state government planning policy control, where you would be working in an R20 zoning and where you have currently, under the R codes, a density bonus, is that an adequate allowance for aged-care housing, or would that be an area that you would like to see an even greater possible density bonus?

Mr Glickman: Very much so.

Mr Harding: It is generally sufficient, yes.

Mr A.P. JACOB: It is generally sufficient as it stands?

Mr Harding: Yes.

Mr A.P. JACOB: Also, if you are looking at aged-care downsizing, do you think some sort of stamp duty concession would be an attractive policy and encouraging in that area as well?

Mr Glickman: One of the challenges that we all have at the moment is that we are part of the broader housing market, and not much is moving at the moment. For example, we are developing a new middle-range price development in Treendale near Australind, Bunbury, but nothing much is happening in the Bunbury housing market. So, really, anything that enables people to be able to accept a certain amount for their house, and not what they once hoped for, is something that keeps the whole housing market moving. I think the housing market has stalled, and I think we need to look at what we can do.

Ms M.M. QUIRK: We have been using terms like “affordable housing”; what is your definition of affordable housing?

Mr Glickman: From our point of view we pretty much fall into the same criteria as the Department of Housing, so it is really at that level. It is at a level for people who do not have the assets to be able to provide for their own housing in the commercial marketplace. When we are doing joint ventures with the Department of Housing, we are not unhappy with the way that that works. We all have villages where people make a very modest contribution towards the capital cost of their housing, but it is a very minor one. As I say, most of our organisations are trying to provide somewhere in the order of 50 per cent of our total provision to people who otherwise could not compete in the commercial marketplace, which I think is a very important contribution that we make for an increasingly large cohort of people.

Mr T.G. STEPHENS: Is anyone interested in just sort of highlighting what would be your key suggestions for recommendations coming out of our inquiry on this and what has been said?

Mr Harding: We have already raised some issues, I think, about risk management; the extent of risk aversion is preventing things from happening. Our sector, we think, is largely unutilised, and I think more detailed conversations could occur about meeting at least the needs of a significant group of people in our community who need access to affordable housing. The issue about partnerships and how to bring other bodies in on a plan to deliver housing product, I think, needs more exploration and development; I think we are quite underdone in that area. We have, I guess, played around the issue about the final heavy hand; we experience local government trying to get new ideas captured and understood to meet the future needs of community, not reacting to the current environment. There are certainly some areas where we think there could be particular movement.

Ms M.M. QUIRK: We have talked a bit about, obviously, just coping with the exigencies of getting older in terms of accessibility and housing design generally, but what percentage of your clients would have some, say, high level of disability and be clients of the Disability Services Commission, for example?

Mr Harding: Coming into housing for us, our figures are over 80 years of age, so nobody comes in without some dependencies, which we are very conscious of. Does that help?

Ms M.M. QUIRK: Probably. In catering for that cohort, do you have any formal relationships with disability organisations that advise or discuss good measures to put in place?

[11.25 am]

Mr Glickman: We do, but our organisations are very large, actually, and I think we have that in-house expertise, because, basically, disability and old age go together. For example, these days more than 70 per cent of admissions into residential care are high care; that means they are people who basically have high nursing needs, and, really, a very complex clinical level of care is delivered to those people. I think, increasingly, we are working with people who have a number of different health issues and disability issues that they have to live with. Increasingly, that is not only just happening in residential care facilities, but also we are able to help people with those needs in their own homes now.

Mr Harding: We deliver services to people in their own homes; we are not just into housing. In Western Australia, 3 500 receive services from my organisation. One of the first visits they receive is from an occupational therapist, who looks at their home to see what modifications are required to meet their changing needs. The organisation is very aware about what the minimum requirements are, and we will bring that to our planning and thinking when we are looking at —

Ms M.M. QUIRK: Are you getting people moving out from Homeswest houses because accessibility is a problem, or not? Are you seeing any of those people?

Mr Harding: No, I cannot comment on that. I am just saying that in relation to existing homes where people are living, they all need to be assessed, so we have quite an idea about the nature of the product that meets people's needs.

Ms M.M. QUIRK: The minefield that is commonwealth–state relations, especially in the aged-care sector, if there was one thing you could change if you were Prime Minister or Premier for a day, what would you change in terms of who is responsible for what or where you source your money? Is there any area that is a constant source of frustration to you because of the different levels of responsibility?

Mr Glickman: We primarily relate to the commonwealth, but then obviously HACC is a matter that is currently under consideration by the Western Australian government about where that will sit. To be fair, I think that from an industry perspective there are actually mixed views on this. Some feel that we should just throw everything into the basket of the commonwealth, and that certainly is logical, but I guess there are fears that once we move the HACC program further and further away from Western Australians being able to touch it, it will be less flexible and less responsive. I think there is a whole variety of views on that.

The CHAIRMAN: Thanks again, gentlemen, for coming in this morning; I think it has been very enlightening certainly to me and probably to a number of the other committee members. Are there any key issues that we have not talked about that you think we should be cognisant of?

Mr Muskett: I would just like to comment on two points; one is the availability of land for future developments. Some providers have substantial land that is available for developments, whereas others do not. My organisation has an interest in developing for housing, but sourcing land is very difficult and we have been looking for several years. To find suitable land that meets the criteria for the target audience is difficult. If you are looking at affordable or concessional rates, then the commercial rates—you just cannot go there. Land in the inner suburban areas is a challenge, and, for example, some of the former school sites are opportunities, but the difficulty there is that a commercial rate is expected, and that becomes a problem.

Ms M.M. QUIRK: Are there any in particular you are talking about?

Mr Muskett: There are a couple that I am aware of: one was Carine Senior High School, and there is a significant development going on there; and there is one just opposite Whitfords—Craigie Senior High School. The other challenge there is that they are quite large areas of land, therefore what is required is a total development plan for the area, and that is well beyond the scope of, certainly, an organisation like mine. We would be very keen to participate in a component of that, but those opportunities are very difficult. I think the sourcing of land is a really critical issue for the future of the sector, whether it be aged care or whether it be affordable housing.

The CHAIRMAN: On that, the Craigie high school site, which is the one you are talking about, is about 10 hectares. That has gone to LandCorp to put out, and they have put it out to the market at commercial rates. Is there something that LandCorp in particular could do to assist organisations like yours or a conglomeration of your organisations?

Mr Muskett: I think LandCorp probably has a charter to obtain the best return possible for the state. In years gone by there were such things as land grants or opportunities to go in. I know, just in very broad outline, that in the state of Victoria there has been a quite a bit of work undertaken in recent years in actually making land available, so that some land is set aside for purposes such as aged care or whatever. That has been a very important element. I was, in fact, speaking with the Minister for Ageing last week, and the only state where there was a significant oversubscription for aged-care residential places in the last round was Victoria, and that was put down to the fact that the state government made available, or encouraged the making available of land for community purposes. I think that is a very important issue for the future.

The CHAIRMAN: What is the ideal size or block of land that you would need for a development? The Craigie high school site was 10 hectares; you said that is too big for you because that is a whole structure planning process and all those sorts of things. But most high school sites, I think, are eight to 10 hectares, and primary school sites are somewhere between five and eight hectares. What is the ideal size?

Mr Harding: We would take the whole lot on.

Mr Muskett: I think it would depend on the size of the organisation. My organisation is not a large organisation, so that would be a factor—my colleagues would take the whole lot. I would see it also as, partly, a community combined development, so it would be a mix of compatible uses. I think my point is, we are not getting the opportunity to be part of that mix because of the economic position.

The other point is a concern that I want to flag. We have spoken about capital, and I am not referring to necessarily government sources or discounted forms of capital. But Australia being what it is, it relies heavily on overseas markets to source capital for its purposes. I think with the appetite that the world is having for capital, we have to go overseas. Some changes have been proposed in the Productivity Commission report for aged care; if they happen, that would see a significant appetite for loans being raised by aged-care providers in the normal capital markets or via the banks. I think there is a caution there that there is not an endless supply of capital unless there are some, perhaps, advantages given to the organisations that are seeking the capital.

The CHAIRMAN: Thank you for your attendance this morning and your information. I will read a final closing statement that tells you what happens with the transcript and where we go from here.

Thanks for your evidence before the committee this morning. A transcript of the hearing will be forwarded to you for your correction of minor errors. Please make these corrections and return the transcript to us within 10 working days of the date of the covering letter. If the transcript is not returned within this period, it will be deemed to be correct. No new material can be introduced via these corrections, and the sense of your evidence cannot be altered. Should you wish to provide additional information or elaborate on a particular point, please include a supplementary submission for the committee's consideration when you return your corrected transcript of evidence. Thank you very much for coming this morning.

Hearing concluded 11.34 am.
