

Economic Viability & Operation

For Oxford Falls Resort

The justification of the claim made by Tiffany Developments Pty Ltd for the required minimum numbers of residents needed to support the viability of this project has been included in this document.

The past, present and future needs of the retirement facilities for this industry are also included with this report.

The new Seniors Living SEPP2004, sets a “quality of life” standard for the care and lifestyle for the elderly that we must follow. It includes the provision of “ageing in place” plus services specified as a must, to be included in any future aged care development.

Our objective is to achieve the quality of care and lifestyle required to allow the elderly to live and enjoy the life they deserve.

The following are “some” of the services, activities and facilities that will be provided on site for the residents.

- Administration
- Site management
- Security and emergency response
- Medical and nursing care
- On site Caretaker
- A variety of food establishments available together with barbecue facilities, coffee shops etc
- Children’s play area
- Retail agencies, shops, club facilities, libraries and serviced offices for residents etc.
- Apartment cleaning etc plus general housekeeping and service staff
- On site Laundry facilities
- Craft workshops, gardening and hobby facilities
- Serviced Office facilities for those residents wishing to continue in business activities
- Gymnasium, heated and cold swimming pools

- Transport - on-site 2 x 15 seat buses
- Total waste management
- Permanent on site Gardeners
- Full time Handyman services
- General maintenance [fire prevention etc] and other land costs
- Dancing, movies and indoor games
- Indoor bowls, billiards, table tennis etc.

The PAST and PRESENT RETIREMENT OPTIONS

Over the past 40 years retirement villages developed under SEPP5 were encouraged by Councils as the way to go forward, but this is now fortunately outdated.

These places were and continue to be a disaster for the elderly to spend the rest of their lives in and they no longer attract residents of less than 75 years.

They were developed upon small sites in residential areas. The elderly residents [Veterans] were reluctant to live in these places but they had no choice and did. They were very hard to fill and still are.

Their neighbors disliked the idea of having these people live next door because they might contaminate the area with old age.

As there was very little or no alternative, these unfortunate people had little choice as to where they went, unless they could afford a carer to look after them in their own home.

What living was and is like in many of these so called villages ,was to spend the rest of their days sitting in the only amenity offered to them on site , a common room or “lounge” where they sat all day waiting to die and or looking at the other residents to see who will be next to pass away.

As these developments were so small in the number of independent living units on-site, developers and managers could not afford to provide any other facilities except a bus ride occasionally.

These villages provided everything on a “part time” basis only such as:

Part time medical, management, emergency call system [off-site], security (none), food that was almost inedible (no choices), no individual cleaning or laundry etc.

In fact, if these places are really investigated, most would have to close, and if they did close where would these unfortunate people go?

These wonderful “apologies” for retired living called SEPP5 villages were just “repositories”.

THE PRESENT POSITION:

The current “craze” in aged care is the serviced apartments or SRA’s.

These developments are being built and occupied by residents all over the country. It seems that aged people [60-70 group] like living in multi-storey apartments with elevators, that are reasonably close to restaurants and services with caring such as cleaning, laundry, meals and nursing care provided.

The serviced apartments [SRA] accommodation, unfortunately is only an interim solution and it is not “ageing in place” these people will be moved again when there is a need for Nursing home or high care required and will be separated from each other.

This in so many cases causes a tragic separation of the partners who in many cases are located a long distance away.

Never the less these facilities are badly needed and will be better than nothing. Or, the alternative is the existing so called “Villages” and these will have to serve people until the real facility become available as anticipated and required in the Seniors Living 2004.

THE FUTURE

There has been very little specific planning or thought given by local authorities to correctly implement the “Seniors Living” SEPP 2004 philosophy which does, if fully carried out, provide for all of the needs of the emerging baby boomers .

To be able to correctly carry out the policy of providing for total “ageing in place” requires large areas of land that will allow for the development of the three stages of care on site, plus a large number of independent living residents, in self contained housing that will provide a sustainable and viable lifestyle with total on site care.

To be sustainable and viable, the facility requires sufficient numbers of residents which can then justify, the on site full time resident doctor and medical services and to provide “in home” low care for the resident who is independent but has the need for some part time medical, cleaning, laundry food or other assistance.

The numbers of residents also dictates the viability of what amenities and services that can be offered on site such as a variety of food outlets, serviced offices, full time security and management etc and many other services that can and will be provided so long as there are the numbers to cater for.

This type of Resort facility also takes the pressure off the local councils and hospitals, it also provides for the three stages of care on site which is more humane for the aged couples, for when one of the partners requires full high care they are not separated.

People will live healthier and longer in a resort styled atmosphere where their body and brain are involved with daily activities. They must have a reason to get out of bed every day

These resorts will be the only ones acceptable to the baby boomer who has lived a reasonably good and active life, who will accept nothing less than resort style living with all of the amenities and facilities on site and total care available also on site.

OXFORD FALLS DEVELOPMENT is based upon the philosophy of the Seniors Living SEPP2004 document

It provides the greatest opportunity for the creation of the best there is in Lifestyle Living based upon Seniors Living concepts and will set the standard for all future Retirement Resorts for the rest of this century.

The concept of the elderly, all wanting to go to a place where they can just quietly pass away is so far from the truth. It is tragic that there will not be enough places for the “new aged” residents to retire to, unless there is a major change in the future planning for sites for retirees.

Unless the future planners of today understand the needs of the elderly, the elderly will have nowhere to go but stay home without a carer because they are becoming harder to get.

The proof of what I am saying is go to any cruise ship and find out who are the passengers and why did they go? And the answer is simple they are mostly aged people and wish “to enjoy living the life“.

Most of the new aged population wants to “enjoy” the rest of their lives “living” not preparing to die.

Oxford Falls Lifestyle Resort, is based upon Seniors Living concept of “ageing in place” and by providing a resort type “living concept” as distinct from the cloistered lifestyle offered in most villages or repositories.

It is based upon the principal that the residents are guests who have worked hard all of their life and deserve to enjoy every moment for the rest of their lives.

It will be a standard for all future development of retirement facilities.

As the number of elderly residents increases each day (there is one person in Australia who turns 55 every 15 seconds of the day and night) only “large developments” of similar size to Oxford Falls will be able to cater for the huge number of retirees who are just over the hill, in a manner they will demand.

So far with “Planning in Australia” there has been no serious planning in providing the large suitable sites to be set aside to create these resorts.

There has been some recognition that something must be done, but so far its talk and that comes cheaply

The only place that seems to have recognized the problem is the Swinborne University who undertook a study many years ago and no one has taken its advice seriously.

SEPP 2004 has generally come to terms with what is needed, but it is almost impossible to get planning approval to build one, and equally very difficult to find large suitable locations with all of the required infrastructure and services available.

Most elderly people want to live with and amongst people with activity and shops not in isolation, particularly in the city areas where they want apartments not houses. Apartment living gives them mental and physical security, level access and the closeness to their neighbors and friends.

The large developments, like Oxford Falls provides many side benefits for the community such as the large employment potential for local skilled and unskilled workers, it provides enormous relief for the “emergency hospital” system by having on-site medical doctors and nursing staff 24 hours a day.

The elderly invariably have their “emergencies” at night when most doctors are not available this requires the resident to be taken by an ambulance to the overloaded casualty department of the local hospital.

With our resort, no resident will be without immediate medical attention when needed day or night, which in most cases can be the difference between life and death.

The on-site medical staff will be required to provide services to the independent living group, the serviced apartments (SRA) and the nursing home.

IN HOME CARING:

The residents of the independent living units will be provided upon request, the following services on an as needed basis.

These services are the same as an “**in home carer**” such as cleaning, food, laundry and nursing. This service will be provided selectively on an as required basis in their own apartment as an alternative option to living in a serviced apartment.

Security is of paramount importance for the elderly and especially for elderly widows this will be provided upon a 24 hour basis. The security personnel are also involved with any emergency response required.

The apartments are all large with very large balconies, as well as private open space for ground floor apartments. All buildings are provided with elevators from the secured garage.

The total area where the development is located is a platform without one step - it is level throughout the entire area providing pedestrian areas only.

“Food” is the second most important issue for the elderly. If after the accommodation is acceptable, the provision of a variety of restaurants and other types of food available on-site to choose from is next most important issue. Food, such as a carvery or take away, diet restaurants all on-site helps them to eat a variety of food to please their desire, rather than to eat stews or “meals on wheels” each day.

Because of the larger number of residents living at Oxford Falls, as distinct from the small numbers at the villages, residents living together invariably have disputes or there is always a “bully” amongst them and in a small place with limited places to go to avoid these people, whereas they will have no difficulty to find alternative friends other places to go at Oxford Falls.

OPERATIONAL COSTS

The permanent staffing required for Oxford Falls when fully built will be approximately 72 employees this is without allowing for the large number required for the construction period (over 200) for around 6 years.

In order to provide for the viable operation and management of the Oxford Falls Resort facilities, it will require a minimum number of residents to amortise these costs over

THE MEDICAL TEAM

This team will be required 24 hours - 7 days per week.

Initially we will employ one doctor and one grade 1 nurse from the time when our first residents move in

When fully developed we will need to have at least 2 doctors on-site to take care of the Independent living residents alone, because it is a 24 hour 7 days a week requirement with 3 doctors we can include the nursing home and the serviced apartments, one of the doctors is to provide relief service .

3 x Nursing Sisters (Div 1) in charge, one each required for the medical center plus the nursing home and the serviced apartments.

Nursing staff (nurses and nursing aids) an absolute minimum of 24 (depending upon the number of disability patients) covering 3 shifts - 7 days. The nursing home and the serviced apartments - (over 160 beds).

Estimated cost - Refer to the salary schedule attached.

Doctors 2.5	\$ 425,000
Nursing Sisters Div 1 x 3	\$ 270,000
Staff receptionist x 2 plus casual	\$ 80,000

Nursing home and serviced apartments:

Nurses and nurses aids x 24	\$ 840,000
General Manager	\$ 140,000
Accountant	\$ 80,000
Administration x 3	\$ 130,000
Reception Staff x 3	\$ 120,000

Out of a total of \$1,925,000 per annum, we assume the 400 independent living residents proportion of these costs medically is 50 % of the doctors and the nursing sisters, plus the receptionists, only the cost would be \$1,937 each unit

per annum or \$774,800 from the total of \$1,925,000, less what is recovered under health insurance.

The 100 serviced apartments, plus 60 bed nursing home - 160 units to carry the rest of the cost of \$1,150,200 of the total, less the medical benefits allowance of \$427,500.

EMPLOYEES SALARY COSTS

Administration and other employees:

• Medical	\$427,500 PA
• Estate general manager	\$150,000 PA
• Caretaker manager	\$100,000 PA
• Accountant	\$100,000 PA
• Accounts Staff x 3	\$120,000 PA
• General office staff x 3	\$100,000 PA
• Security Staff x 3	\$180,000 PA
• Cleaning Staff x 10	\$350,000 PA
• Gardeners x 6	\$275,000 PA
• Bus drivers x 3	\$120,000 PA
• Laundry Staff x 9	\$400,000 PA
• Handyman etc x 3	\$150,000 PA
• Amenity supervisors x 3	\$140,000 PA
• Entertainment officers x 2	\$ 70,000 PA

The minimum cost for each apartment is \$6,705 per annum for the 400 apartments only, plus the other costs I have not provided for, if the numbers are reduced the costs per unit will obviously increase.

The following additional charges will be included to the residents account when known:

- Rates and taxes for the site are unknown but estimated at \$390,000 per annum.
- Overheads - electricity, water and sewerage costs have not been included.
- No allowance has been made for parts, repairs or maintenance of the sewerage reticulation system (pumping and treatment) or air-conditioning systems, or pool maintenance etc.
- No allowance for staff superannuation at 9% another \$240,000 per annum.
- The above list does not include costs of employees involved with the nursing home or the serviced apartment staff, except the medical team which spends part time, or the employees of the services such as the food and shops etc.