

JANUARY 17, 2024



PRE-BUDGET SUBMISSION | DENMARK  
ESSENTIAL WORKER (AGED CARE  
SERVICES) HOUSING

DENMARK WA

## Preamble

The Shire of Denmark lies to the west of the City of Albany and stretches along the southern coast. The town of Denmark is the sub-regional centre, with the smaller coastal villages of Peaceful Bay and Nornalup situated nearby. Its relaxed lifestyle and natural environment, as well as its proximity to services and facilities in neighbouring Albany (52km away), have made it an increasingly sought-after sea/tree change destination.

The aged population is significant and expanding. If we are to enable our growing aged population to remain living in their homes in accordance with both State and Federal Government policies, we require a workforce to provide the necessary support.

Workforce recruitment and retention is currently constrained by a lack of affordable rental housing. This situation is expected to increase in severity over time, with no market led solutions apparent.

The community of Denmark has significant needs across the housing spectrum, particularly for affordable housing within the town centre. Recent community consultations have confirmed feedback received over many years of the need for more age appropriate, higher density, affordable housing.

This submission, highlighting the need for improvements to the worker housing situation does not seek to diminish the need for suitable housing for residents. However, given the immediate need to care for those residents already within the community, our priority presently lies with supporting the aged care sector workforce, to enable existing residents to continue to age in place.

## Introduction

The following organisations welcome the opportunity to provide input to the Western Australian Government, through this collective 2024-25 Pre-Budget Submission:

➤ [Shire of Denmark](#)

Council recognizes that our community contains a large, aged population, their specific health and welfare needs, and the importance of ensuring appropriate, affordable, and inclusive services.

The Sustainability Strategy 2021-2031 commits to supporting the local economy including initiatives to build a skilled, confident, and knowledgeable workforce.

The Strategic Community Plan (Our Future 2033) also highlights the Shire's commitment to supporting local jobs, industry, and small businesses as part of its goal to facilitate sustainable development.

These documents collectively indicate a strategic focus on building and supporting a local workforce that is skilled and aligned with the goals of sustainable development, economic growth, and community well-being.

We recognise housing is an essential enabler.

➤ [Denmark Futures Ltd](#)

Denmark Futures was established as a registered charity in August 2021, to take forward collective impact projects on behalf of the community. It has undertaken a significant body of work over approximately two years to understand the housing data and trends and investigate solutions. This has included engaging with numerous social impact investors, and the exploration of a community investment model.

Denmark Futures is leading a “Thriving Seniors” exploration in partnership with the Denmark Community Resource Centre, the Denmark Community Foundation, the Shire of Denmark, WACHS, the Department of Communities, the Department of Health, WA Primary Health Alliance and Aged Care service providers.

➤ [Denmark Community Resource Centre](#)

The Denmark Community Resource Centre (CRC) has been a leading Denmark not-for-profit organisation for the past twenty years, providing a host of community services including assisting the community address financial hardship, homelessness, and loneliness and isolation in the elderly population. More than 2,000 persons a year directly access the CRCs services. It provides a range of services and programs for the elderly and is a key partner in the “Thriving Seniors” project.

➤ [Denmark Chamber of Commerce](#)

With approximately one in every two businesses in Denmark members of the Chamber, the DCC is one of the most representative Chambers of Commerce in Western Australia. Its mission is to empower, connect, and advocate for sustainable business growth across the Denmark region, by providing member businesses with advocacy, networking, promotion, and business support. For the past two years the DCC has provided case studies and information on worker housing solutions to the Denmark business community through a dedicated monthly mailout.

➤ [Denmark Community Foundation](#)

The Denmark Community Foundation is the oldest community foundation in Western Australia. Our Foundation Patron is eminent Australian Professor Fiona Stanley AC.

The Foundation’s vision is to create a community that is welcoming, resilient, inclusive and connected. The Foundation’s main focus area for 2023 – 2025 is the reduction of social isolation within our community. Social isolation and loneliness impact all age groups, however older people are more likely to experience many of the risk factors that can cause or exacerbate social isolation and loneliness.

The Denmark community is at risk of an increased incidence of both social isolation and loneliness as its already disproportionately high aged population continues to expand. This is likely to be further exacerbated by the inability of the aged population to access personal care support due to workforce shortages that are in turn impacted by a lack of affordable housing.

➤ [Baptistcare At Home](#)

BaptistCare is one of Australia's largest Aged Care services providers and has been delivering these services for 80 years. We currently support a small number of older people in Denmark and surrounding areas to live independently at home and are keen to expand the delivery of these services, however, are constrained by workforce shortages.

Our workforce comprises predominantly of single or working mothers who are often in insecure housing, renting in the private rental market. BaptistCare supports the opportunity to improve accessibility to affordable housing, to enable increased community support to those in need.

➤ [Amaroo@home](#)

Amaroo@home is a local Denmark Home Care Package Services Provider in conjunction with our Residential Village. We provide Home Care Package services level 1 to 4, with Clinical services inclusive.

We have a strong local workforce who are predominantly long-term residents who have permanent accommodation. However, we have an issue with new referrals or increases in current consumers' needs impacted by recruiting and obtaining not only staff who can reside in this town but quality experienced staff who wish to move to this town and are inhibited with finding permanent accommodation.

The ability to obtain and retain more local employees will assist to maintain the current increase in current HCP Clients needs and ensure that ongoing new referrals can be accepted, and adequate services provided for.

➤ [ACareWA](#)

ACareWA, one of only two in home care providers with an office in Denmark, has a workforce of over 30 dedicated individuals. The community care model is gaining momentum, with daily referrals from medical practices. The high level of referrals emphasises Denmark's urgent need for a robust support system. The shortage of affordable rental housing hinders our ability to attract and retain essential workers in the aged care sector and has wide-reaching implications for our entire community.

➤ [SilverChain](#)

I am writing to express our support for the funding to build affordable accommodation for aged care workers in the township of Denmark, Western Australia. As Silverchain is a leading provider of home care services in the Great Southern region, we understand the critical need for this initiative and its potential impact on the overall well-being of the aging population.

Our organization has been deeply committed to delivering high-quality home-based aged care services to the residents of country areas of Western Australia for 130 years. We currently provide services within multiple rural areas of the state. We support 93 clients within the Denmark region. With an increasing aging population within Denmark, there is a

growing demand for home-based aged care services to support citizens who wish to age in the comfort of their homes. Having adequate home-based aged care services has broader implications for the overall health system in Western Australia, alleviating the strain on hospital and health services and on demand for residential aged care beds within the area.

Unfortunately, even at present, demand for home based aged care services outstrips the supply we have of aged care workers to support people in their homes in Denmark. We have encountered persistent and significant challenges in recruiting and retaining skilled and compassionate aged care workers in this rural setting. The shortage of affordable accommodation for workers is a significant barrier. Many of the initiatives supporting increased housing stock focus on clinical staff such as doctors and nurses – however, within aged care, workers such as personal carers are the backbone of our service, and their work underpins the care provided by any clinical staff. Affordable housing for lower income workers is often an overlooked necessity for a sustainable health and aged care system.

We firmly believe that by addressing the housing needs of potential aged care workers in Denmark, we can fortify our workforce (and those of other providers) and better meet the evolving needs of the aging community. We are confident that funding support will catalyze positive changes for the Denmark community and the dedicated individuals who serve older people to stay living at home and contributing to the resilience of their rural communities.

## Our Request

This submission is made in an environment where our community is constrained from reaching its potential as an aged services hub, by the severe shortage of suitable housing.

We seek \$5.1 million in support to provide a total of 12 affordable rental homes (at an average cost of \$425,000) to help close the **current aged worker deficit** currently 33 FTE and projected to grow to over 50 FTE by 2031, allowing Denmark to capitalise on the greatest economic development opportunity presented though its aging demographic.<sup>1</sup>

This is well below Denmark's median housing cost of \$888,000<sup>2</sup>.

Provision of this funding support by the WA Government will facilitate further ongoing investment, as rental proceeds continue to be reinvested in new builds further contributing to closing the ongoing rental housing shortfall.

It is both State and Federal Government policy to encourage the population to age in place.

The consequences of a growing elderly population lacking access to personal care workers to help them stay safely and well in their own homes can be significant and multifaceted:

**Increased Health Risks:** Without adequate care, seniors might face greater risks of falls, medication mismanagement, and neglected chronic conditions, leading to deteriorating health.

**Mental Health Issues:** Isolation and the inability to manage daily tasks independently can lead to increased feelings of depression, anxiety, and loneliness.

**Reduced Quality of Life:** Seniors may experience a decline in their quality of life, losing independence and the ability to engage in activities they enjoy.

**Higher Healthcare Costs:** The lack of in-home care can lead to more frequent hospitalizations and increased healthcare costs due to emergency care and acute medical issues.

**Caregiver Strain:** Family members who step in to fill the gap may experience physical, emotional, and financial strain, leading to caregiver burnout.

**Increased requirements for Residential Facilities:** A shortage of in-home care could lead to more seniors being placed in nursing homes or assisted living facilities, even if they could live independently with proper support. This has very significant consequences on the individual's connection to social supports, and also significant consequences to the workforce requirements, which significantly increases under a residential care situation when compared to at home.

**Social Impact:** The community may lose out on the valuable contribution of seniors who, with adequate support, could volunteer, mentor, and participate actively in societal roles.

**Economic Strain:** The increased need for medical and residential care places a strain on public health systems and insurance providers, potentially leading to higher costs for all.

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<sup>1</sup> Aged Care workforce analysis completed by Faircloth McNair August 2023

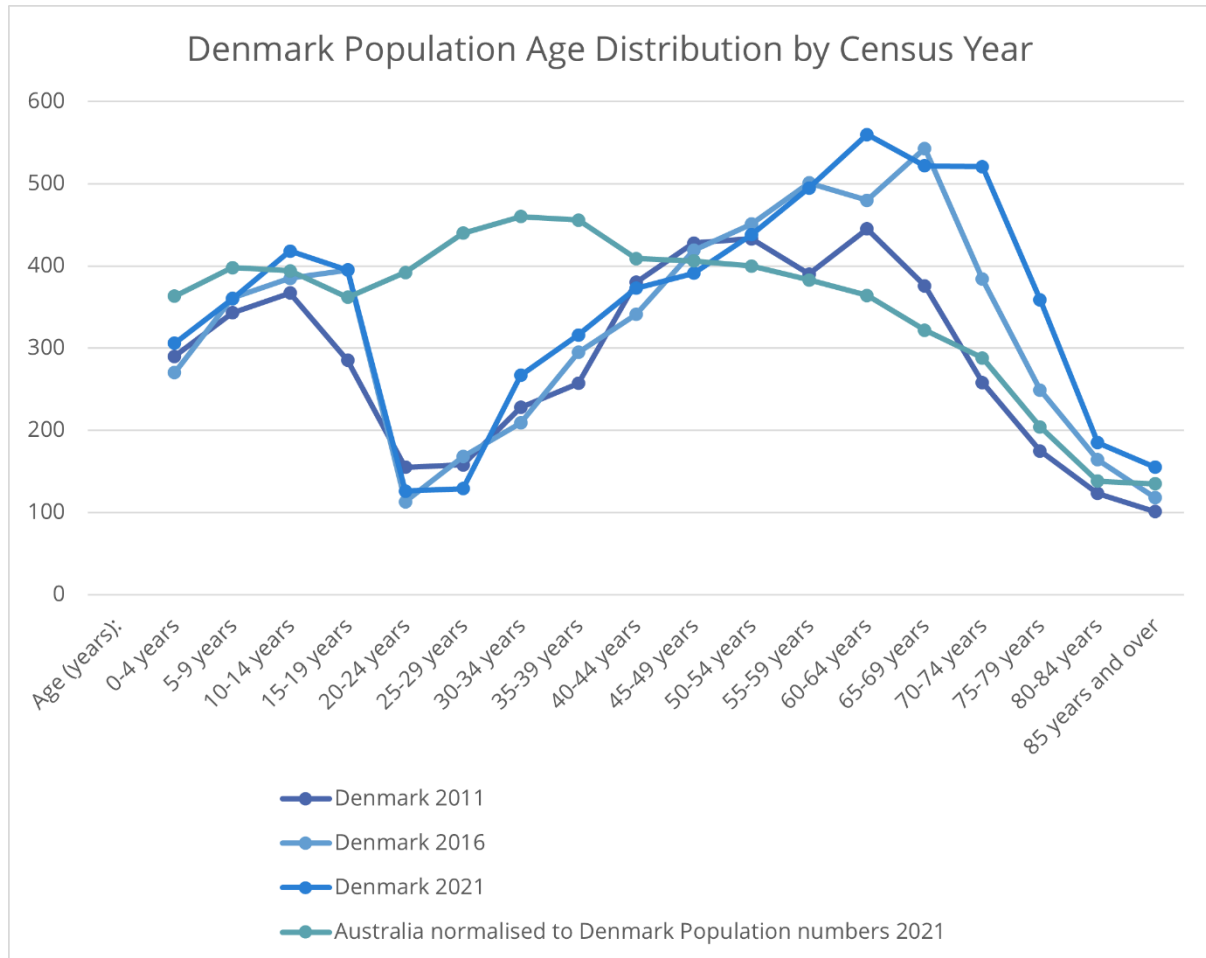
<sup>2</sup> HtAG Analytics Area Statistics Report 4 December 2023

This situation underscores the need for home care to be enabled, currently constrained by a lack of suitable workforce housing.

## Affordable Housing for Essential Workers (Aged Care)

### The Population is Aged and Growing

Denmark is growing at a faster rate than the growth rate of WA as a whole. It is also ageing, experiencing both a growth in the population of seniors, and a shift in the peak age profile.



The largest group of citizens in Denmark are those aged 60-64 years old, however the last ten years has seen a significant (over 51%) increase in the number of elderly aged 80 or more. This cohort now accounts for more than 5% of the total population. By 2031 one in every three residents is expected to be aged over 65.<sup>3</sup>

An economic impact assessment completed by ACIL Allen concluded that the Gross Product from the WA Aged Care Sector is expected to grow at more than twice the rate of the WA economy more broadly over the coming decade and create more jobs in total than the total number of full time jobs created in WA over the past four years.<sup>4</sup>

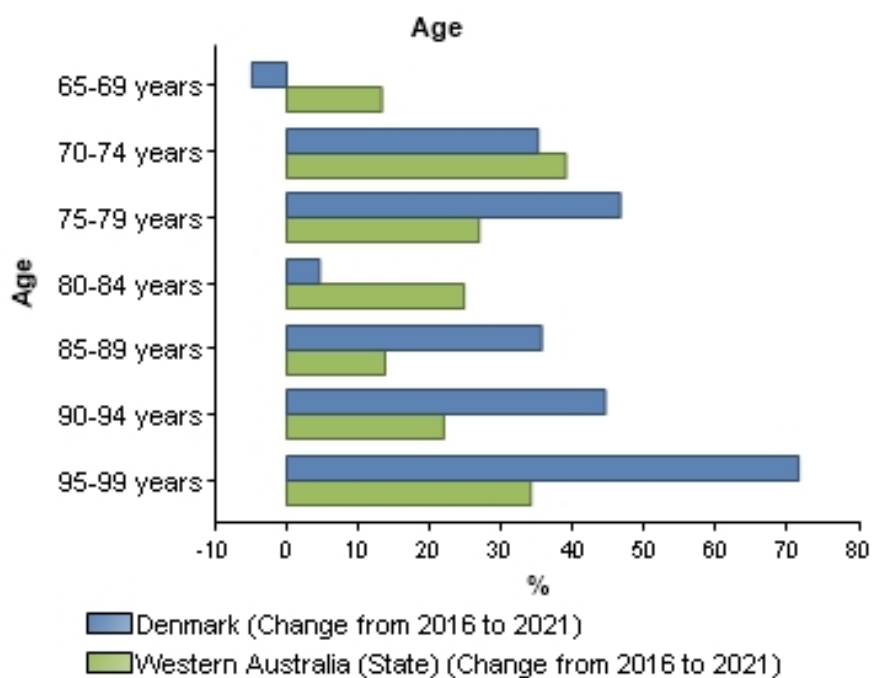
With a population that is more aged than most communities, Denmark is well placed to be one of the success stories in this growth story, if it can maintain an aged care workforce to support its aged care services industry.

<sup>3</sup> WA Tomorrow Population projections

<sup>4</sup> [https://acilallen.com.au/uploads/projects/346/ACILAllen\\_EconomicSocialImpactAgedCare\\_2021.pdf](https://acilallen.com.au/uploads/projects/346/ACILAllen_EconomicSocialImpactAgedCare_2021.pdf)



We have a greater percentage of our population elderly, and this cohort is growing at a more rapid rate than the State, particularly at the more elderly end.



The Social Atlas of Australia reveals that in 2021, there were 171 persons aged 65 years or over living in Denmark, with a profound or severe disability – or over 11% of the cohort. With only 15 residential aged care places within Denmark, the vast majority of these individuals are living in ordinary households, requiring in home care. Indeed, Denmark has double the proportion of pensioners on disability support than the State. This vulnerable cohort are at risk.

### Lack of Affordable Housing is constraining Economic Growth opportunities

The potential for industry growth that both creates long term employment and provide residents with quality of life as they age in place is immense, however this potential is constrained by the inability to house the generally lower income workforce.

Denmark’s stock of rental housing is significantly worse than both the State and National position. The housing gap is at least 162 rentals (at State average), and up to 240 rentals (National average).<sup>5</sup>

We now have less houses for rent in Denmark than we did more than a decade ago (and of course, more people to fit into them). This continuous decline is critical and impacting the delivery of services.

<sup>5</sup> Census comparison data



According to the Australian Housing and Urban Research Institute, the private rental market grew by 38% between 2006 and 2016 – making it the fastest growing segment in Australia’s property market.<sup>6</sup>

However, this National experience has not been duplicated within Denmark, where returns to investors are compromised by higher build costs and fixed/lower income demographics. The situation is worsening.

Indeed, Denmark is in the top three least affordable local government areas to either purchase or rent. HtAG analytics shows the rental vacancy rate an astonishingly low 0.2% (significantly worse than the 0.8% for the State).

The impact of a lack of affordable housing on recruitment of aged care personal care workers is significant and multifaceted.

Affordable housing shortages are already impacting the ability to recruit and retain personal care workers. We have been advised by current Aged Care Services providers that they have lost existing staff to other towns due to the financial and other challenges of securing suitable accommodation.

#### Aged Care Workers Can’t afford to Live in Denmark

Personal Care Workers form the majority of the aged care workforce and are at the front line, delivering services necessary to ensure their clients have high-quality care that is safe, meets individual needs and supports their quality of life.<sup>7</sup>

The average personal care worker salary in Australia is \$61,355 per year. Entry-level positions start at \$55,346 per year.<sup>8</sup>

For the average personal care worker, affordable housing would be provided at a weekly rental of no more than \$353 per week. HtAG Analytics advises the median rental price for Denmark is currently \$433 per week (noting the median rent prices can lag the typical price by 1-2 years as rental arrangements are renegotiated). This level of income spent on rent would provide a Rental Affordability Index (RAI) of “Unaffordable”<sup>9</sup>.

Actual rental prices available are generally more than \$650 per week (\$500 per week for one bedroom).<sup>10</sup> This level of income spent on rent has an RAI of “**Severely Unaffordable**”.

A lack of public transport exacerbates the housing issue. Workers face challenges commuting to work from the regional centre of Albany (where more rental properties are available) and the distance from other major centres is simply too large to be commutable.

Aged care services are essential for regional communities, especially those with a large seniors’ population base such as Denmark. The lack of workers due to housing issues can strain these services, affecting the quality and availability of care for the elderly population.

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<sup>6</sup> [https://melbourneinstitute.unimelb.edu.au/\\_\\_data/assets/pdf\\_file/0010/2437426/HILDA-SR-med-res.pdf](https://melbourneinstitute.unimelb.edu.au/__data/assets/pdf_file/0010/2437426/HILDA-SR-med-res.pdf)

<sup>7</sup> <https://www.health.gov.au/resources/publications/a-matter-of-care-australias-aged-care-workforce-strategy?language=en> p25

<sup>8</sup> <https://au.talent.com/salary?job=personal+care+worker>

<sup>9</sup> <https://sgsep.com.au/projects/rental-affordability-index>

<sup>10</sup> Realestate.com.au search 5<sup>th</sup> December 2023

By addressing the housing challenges for aged care workers, it's possible to enhance recruitment efforts and ensure a stable workforce to cater to the needs of the aging population in these areas.

## Benefits

Net rental income will be reinvested in a pipeline of additional affordable houses, so that the provision of affordable housing can continue to increase over time. It is expected that additional houses will be able to be added at a rate of 1 every two-three years.

This is a key value add as our population is both growing and ageing, with more aged care workers required over time if the current Government policies of Aging in Place are to be supported.

Analysis completed by ACIL Allen highlights the demonstrable net economic and social benefits of support provided to the sector, with a social return on investment of \$2 for every \$1 spent in community aged care (higher levels are experienced for Residential Aged Care).<sup>11</sup> These benefits are wide ranging, but to be realised, community aged care services must be delivered.

## Alignment

The West Australian government has implemented several strategies focusing on aging in place and workforce development, particularly for seniors. Key initiatives include:

1. **WA Seniors Strategy:** This is a comprehensive 10-year strategy developed by the Department of Communities. It is designed to support older Western Australians in leading fulfilling lives as they age. This strategy encompasses various aspects of senior living and aims to ensure that seniors can live their best life with dignity and respect.
2. **Support for Age-Friendly Communities:** The Department of Communities supports the development of age-friendly communities in Western Australia. This initiative is geared towards creating environments where seniors can age safely and happily, with access to necessary services and a community structure that respects and includes them.

These strategies collectively aim to create a supportive and empowering environment for seniors, focusing on their health, well-being, and active participation in the community. They also address the challenges of an aging population and the need for a supportive workforce to assist seniors in their daily lives.

The Regional Development portfolio aims to ensure the long-term success of Western Australia by generating strong and inclusive growth across the state's regions, leveraging their collective strengths for a diverse and resilient economy.

The Great Southern Development Commission prioritises healthcare and social assistance as one of its top six economic opportunities. It notes that home care, seniors' services and assisted living provide employment for a significant number of people. The GSDC aims to

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<sup>11</sup> [https://acilallen.com.au/uploads/projects/346/ACILAllen\\_EconomicSocialImpactAgedCare\\_2021.pdf](https://acilallen.com.au/uploads/projects/346/ACILAllen_EconomicSocialImpactAgedCare_2021.pdf) pxiii

ensure that services provided in the region are comparable to services in the metropolitan area.

This 2024-25 Pre-Budget Submission seeks to address the critical need for affordable housing, particularly for essential workers in the aged care sector and is aligned with the objectives outlined in both the "WA Housing Strategy 2020-2030" and the "WA Regional Development Framework October 2023".

**2024-25 Pre-Budget Submission:**

- ✓ Focuses on providing affordable housing to support the aged care workforce in Denmark, recognizing the significant and expanding aged population in the region and the consequent need for aged care services.
- ✓ Seeks \$5.1 million to provide 12 affordable rental homes for aged care workers, aiming to address the housing affordability issue and ensure the retention of essential workers.
- ✓ Acknowledges the growing and aging population in Denmark, emphasizing the importance of supporting the aged care industry for regional economic development.
- ✓ Plans to reinvest rental income in a pipeline of additional affordable houses, supporting government policies of aging in place.
- ✓ Aligns with WA government strategies focused on aging in place, age-friendly communities, and workforce development for seniors.
- ✓ Supports the Regional Development portfolio's aim for strong and inclusive growth across the state's regions, leveraging the strengths of each region for a diverse and resilient economy.
- ✓ Proposes a practical approach to commence construction activities for affordable housing, with the support of Denmark Futures Ltd.

**WA Housing Strategy 2020-2030:**

- ✓ Emphasizes the importance of a safe, stable, and sustainable home for overall wellbeing and the foundation for sustainable communities.
- ✓ Commits to connecting 150,000 WA households to a home, building liveable, inclusive, and connected communities, and creating jobs contributing to the State's economy.
- ✓ Aims for an agile housing system with sustainable communities, meeting the diverse housing needs and demands, and ensuring access to safe, stable, and sustainable homes.
- ✓ Seeks to provide a choice of homes for people of all cultures, ages, incomes, and circumstances, ensuring that communities and homes are designed for both present and future needs.

**WA Regional Development Framework October 2023:**

- ✓ Highlights the importance of regional WA for the country's economy and cultural identity, emphasizing the need for sustainable, vibrant, and liveable regional communities supported by strong and prosperous economies.
- ✓ Focuses on enhancing climate resilience, maintaining biodiversity, and environmentally sustainable development.
- ✓ Aims to maximize job creation, develop the economic base, and ensure access to government services comparable to the metropolitan area.

- ✓ Has five areas of focus: Regional Liveability, Economic Development, Diversification and Innovation, Climate Resilience & Low Carbon Transition, and Aboriginal Empowerment and Prosperity.

This Pre-Budget Submission for Denmark aligns with the objectives of the WA Housing Strategy 2020-2030 and the WA Regional Development Framework October 2023 by addressing the critical need for affordable housing, particularly for aged care workers, and supporting the overall development of sustainable, vibrant, and liveable communities in Western Australia.

## Practicalities

With sufficient State Government support, the community of Denmark can commence construction activities that can contribute to affordable housing on an ongoing basis.

There are a number of sites available with suitable zoning and services available. Some of these sites provide higher density than others and so are preferred. Architects and builders are secured. The barrier is capital.

The capital mechanism, ownership of assets and the order of construction are proposed as matters for discussion, however charity Denmark Futures Ltd has offered to take custody of the project on an ongoing basis, in line with its constitution and mission to take forward collective impact projects for the benefit of the Denmark community.