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A WHITE PAPER · MAY 2026

Standing still is a decision.

Five truths about Ageing in Place that every retirement village operator needs to see.

BUILT ON VALIDATED PRIMARY SOURCES
FEDERAL BUDGET PAPERS 2026-27 · AGED CARE ACT 2024
RETIREMENT VILLAGES LEGISLATION, VICTORIA & NSW
AGEING AUSTRALIA · PWC/PROPERTY COUNCIL
THE WEEKLY SOURCE · DCM INSTITUTE

Prepared for retirement village CEOs
Australia and New Zealand

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FOREWORD

A note from Paul Wilson.

The Australian and New Zealand retirement village sector is operating under a set of pressures that are arriving together rather than sequentially. Legal, fiscal, workforce, and supply. Each one is significant on its own. Together, they represent a structural shift in how villages need to think about Ageing in Place.

At Lumin, we have spent the last few months doing our homework on those pressures. We wanted to genuinely understand the position retirement village operators are in — the legal change, the funding wait, the workforce ceiling, the residential aged care supply gap, and what the village-locked length-of-stay shift actually means for the DMF model.

The data that answers those questions is now public, sourced, and defensible. It just sits in a dozen different places — Treasury budget papers, sector reactions, legal analyses, retirement census data, government wait-time reports.

We did the work and thought the result might be useful to share. That is what this paper is.

Every figure is sourced. Every legal reference has been checked. If anything in here is useful in your own board papers, strategy decks, or conversations with families — that is the point. This is not a Lumin sales document. It is a sector reality check that we happened to write.

Paul Wilson
Co-Founder and Chief Executive Officer, Lumin
May 2026

> **A note on the figures.** Every statistic, legal reference, and citation in this paper has been verified against the primary source where one is available, and against credible secondary sources where it is not. We have made our best effort to be accurate at the time of writing (May 2026). That said, legislation evolves, indexed figures change at each indexation date, and wait-time and budget data is updated regularly by government departments. Readers using these figures in their own board papers, regulatory submissions, or commercial decisions should verify the current value of any specific figure against its primary source at the time of use. The full source list is at the back of this paper. For corrections or queries, contact paul.wilson@mylumin.org.

EXECUTIVE SUMMARY

The case for action is settled. The question is operational, not strategic.

Across four independent axes of evidence — legal, fiscal, workforce, and supply — the requirement for retirement villages to support residents to age in place is now settled. Operators who continue to plan their village economics around assumptions formed before 2025 are planning against the law, the budget cycle, the workforce ceiling, and the residential aged care supply pipeline simultaneously.

This paper sets out the four pressures in sequence. Each builds on the last. By the final chapter the conclusion is unambiguous: there is one feasible system response to the demographic reality Australia and New Zealand are entering, and the retirement village sector is its purpose-built infrastructure.

> **THE FOUR PRESSURES**
>
> **Legal.** Victoria's Retirement Villages Amendment Act commenced 1 May 2026, NSW's 2025 Regulation tightened operator obligations, and the Commonwealth Aged Care Act 2024 established a national Statement of Rights. The operator's historical ability to compel a move to residential aged care has been materially narrowed for non-owner residents and was never available for owner-residents.
>
> **Fiscal.** 200,000+ older Australians are waiting for Support at Home, with average wait times of 364 days. The Federal Budget 2026-27 falls "well short" of closing the gap.
>
> **Workforce.** 110,000 aged care workforce shortfall projected by 2030, even with wage increases. Funding cannot create carers.
>
> **Supply.** The Budget commits to half the residential aged care beds the sector needs per year. Hospital beds are blocked. The pressure valve is sealed.

The strategic question for boards is not whether to respond. It is how. Three operational capabilities, set out in the conclusion, define what a village needs to build over the next 24 months to meet that requirement without destroying its cost structure.

KEY NUMBERS AT A GLANCE

Eight figures every operator should know.

200,000+

Older Australians waiting for Support at Home or assessment, May 2026 (Ageing Australia)

364 days

Average wait for a Support at Home package (Department of Health, Pocock amendment report)

110,000

Projected aged care workforce shortfall by 2030 (Lowy Institute / Department of Health modelling)

5,000 / 10,000

Budget 2026-27 residential aged care construction target versus sector requirement, per year

7 → 9 years

Shift in average retirement village length of stay, 2016 to 2023 (PwC/Property Council Census)

61% / 17%

Villages offering home care versus village units actually receiving it (Property Council / Ansell Strategic)

$3.5B

Annual Commonwealth fiscal saving from village residents delaying RAC entry (Retirement Living Council)

29–35%

Support at Home penetration in some major operators' village portfolios (DCM Institute)

CHAPTER ONE · THE LEGAL FLOOR

The law won't bend.

Across Australia, Ageing in Place has shifted from a consumer preference to a legally protected right.

There used to be a way out. Two medical practitioners, a certification that care needs exceeded what a village could support, and an operator could terminate a resident's contract and require them to move to residential aged care. In Victoria, that door has now closed. The rest of Australia and New Zealand are on the same trajectory at different speeds.

Across Australia, Ageing in Place has shifted from a consumer preference to a legally protected right. The shift happened in three layers, each reinforcing the next.

Victoria has gone furthest. The Retirement Villages Amendment Act 2025 (Vic) commenced on 1 May 2026. The previous test for terminating a non-owner resident's contract on health and safety grounds has been replaced with a materially narrower one. Per Consumer Affairs Victoria, an operator can now only seek to terminate a contract for health and safety reasons if both of the following are true: (1) the resident has care needs that cannot be met in the village, even with external services, and (2) the resident would pose a serious risk to the health or safety of themselves or others if they remain in the village. Termination cannot proceed without VCAT approval. The new section 16F test applies to non-owner residents — those on a lease, licence, or loan-licence arrangement, which is the typical DMF contract. Owner-residents (freehold, strata, shares, or units in a unit trust) have always been protected from contractual termination by property law. Care growth no longer drives a contractually-triggered exit, regardless of resident category.

> The availability of in-home care now sits ahead of the operator's ability to compel a move.

New South Wales has codified transparency. The NSW Retirement Villages Regulation 2025 commenced 1 September 2025, sharpening operator obligations around budgets, long-term maintenance, capital works, and prescribed disclosure documents.

The Commonwealth has set the national floor. The Aged Care Act 2024 commenced 1 November 2025. Its statutory Statement of Rights gives older Australians the right to make their own decisions about funded aged care services and how they live, including where there is some personal risk. Support at Home, which launched the same day, is the operational expression of that right.

The Aged Care Act 2024 operates nationally. The state retirement villages acts are converging on the same direction at different speeds. Western Australia's Amendment Act was assented in November 2024 with substantive provisions awaiting regulations. South Australia's reforms commenced February 2026. Queensland's financial transparency regulation has set the benchmark for the sector. Victoria is most advanced; the others are not far behind.

Sources: *Retirement Villages Amendment Act 2025 (Vic), Act No. 19/2025; NSW Retirement Villages Regulation 2025; Aged Care Act 2024 (Cth); Consumer Affairs Victoria; Department of Health, Disability and Ageing; legal analysis from Maddocks, Russell Kennedy, Thomson Geer (2024–2026).*

CHAPTER TWO · THE FUNDING GAP

200,000 are already waiting.

The Australian government released a report in May 2026 that exists only because Senator David Pocock made it mandatory. The numbers do not fit on a press release.

In May 2026, the Australian government released a report that only exists because Senator David Pocock had negotiated a transparency amendment requiring it. Without that amendment, the data would not be public.

364 **days.** Average wait for a Support at Home package. Long-term residential placement: 396 days. Short-term residential: 434 days.

A further 48,000 older Australians are sitting on the "triage" waitlist — the waitlist to get on the waitlist for an assessment. Tom Symondson, CEO of Ageing Australia, summed up the position the same week: more than 200,000 older Australians are either waiting for a Support at Home package or waiting just to be assessed. "*This is fast approaching a national emergency.*"

The Federal Budget 2026-27 was the government's chance to close the gap. It did not. The Budget, handed down 12 May 2026, allocated 32,000 additional Support at Home packages for 2026-27 and $389.8 million over four years. Sector peak bodies publicly assessed the allocation as falling "well short of the amount required." The Department of Health target is a three-month average wait by 1 July 2027 — a four-fold reduction from where the system sits today.

> The funding committed will not get the system there.

For retirement village operators, this is not abstract. The 200,000 waiting list is not somewhere else. A meaningful share of it is sitting inside retirement villages right now, where residents have a legal right to in-home care support that the Commonwealth funding pipeline cannot deliver quickly. Residents told they qualify are waiting twelve months for a package to arrive. The operational pressure falls back onto the village.

The Property Council and Ansell Strategic research quantified the consequence: 61% of villages offer home care services, but only 17% of village units currently receive home care support. A 44-point gap between supply capability and actual delivery. The single largest reason is the Commonwealth funding bottleneck.

The implication. Operators who treat Support at Home as somebody else's problem are absorbing the cost of the wait without seeing it on their P&L yet. They will see it.

Sources: *Department of Health wait times report (May 2026, mandated by Senator David Pocock's transparency amendment); Tom Symondson, CEO Ageing Australia, post-Budget statement (May 2026); Federal Budget Papers 2026-27; The Weekly Source Budget reactions (May 2026); Property Council / Ansell Strategic Delivering Home Care in Retirement Villages (December 2025).*

CHAPTER THREE · THE WORKFORCE CEILING

Even if the funding existed, there aren't the carers.

Funding announcements get reported. Workforce shortfalls do not. Yet the workforce, not the funding, is the binding constraint.

The aged care sector debates the budget, the package numbers, and the rates of growth in Support at Home allocations. The conversation about who will actually deliver the care, when the funding catches up, is quieter. It is also more important.

110,000

Projected aged care workforce shortfall by 2030 (Department of Health modelling, cited by the Lowy Institute), even after Fair Work Commission wage increases of up to 28.5%.

The nursing position is no better. Ageing Australia's December 2025 workforce strategy projects between 17,551 and 19,287 full-time-equivalent nurses missing in aged care by 2035. Aged care competes for nursing labour against public hospitals, private hospitals, and primary health — all offering better hours, higher pay, and clearer career progression. Approximately 40% of the current workforce are migrant workers on temporary visas — a structural vulnerability no Budget allocation can fix in isolation.

> Funding cannot create carers. A funded package without a carer to deliver it is theoretical.

The 364-day average wait time reflects two constraints layered on top of each other. The funding pipeline cannot release packages quickly enough. And even where packages have been allocated, the providers who hold them often cannot recruit the staff to deliver them. The funding constraint can in theory be solved by a budget allocation. The workforce constraint cannot.

The village's own staffing model is under the same pressure. Operators reporting up to one-third of residents now receiving formal care in situ are also reporting wellness staffing needs that have moved from approximately three staff per village to between five and ten. Cam Ansell, who advises on retirement village M&A nationally, has modelled the longer-term shift at 15 to 50 employees per 100 residents.

Partnerships with Support at Home providers will be supply-constrained for the foreseeable future. An operator who plans to "just refer residents to a provider" is planning against the constraint that providers cannot recruit carers fast.

The implication. The capability that matters most over the next five years is not how much funding flows. It is how much each carer hour can deliver. Operational visibility — early identification of decline, prioritised attention to highest-risk residents — is the lever that makes a constrained workforce go further.

Sources: *Lowy Institute citing Department of Health workforce modelling; Ageing Australia workforce strategy (December 2025); The Weekly Source coverage of Cam Ansell's Leaders Summit comments (November 2025).*

CHAPTER FOUR · THE PRESSURE VALVE

You can't move them anyway.

The residential aged care door is closing too. Retirement villages are the pressure valve.

For a decade, the implicit fallback for Ageing in Place was simple. When the resident could no longer cope, they would move to residential aged care. The village would resell the unit. The DMF would crystallise. That fallback is sealed shut.

5,000

Budget 2026-27 residential aged care construction target per year from 1 July 2027. **Sector modelling puts actual demand at 9,000 to 10,000 beds per year.**

Existing supply is contracting, not expanding. Since 2021, 103 aged care homes have closed in Australia; only 85 have opened. Net bed growth in 2024–25 was approximately 800 beds — a historic low against an annual requirement of around 10,600. By December 2025, nearly 3,000 older Australians were medically ready for hospital discharge but unable to access residential aged care, home care, or disability supports.

> The pressure valve is sealed. That leaves one place residents can go: where they already are.

The accommodation pricing story confirms the structural problem. The RAD cap was raised from $550,000 to $750,000 on 1 January 2025 (now indexed to $758,627). By October 2025, the national average RAD had reached $580,215 but only 36% of homes were pricing above the old $550,000 threshold. The Budget 2026-27 provisioned $1.1 billion to lift the accommodation supplement from 2027, with a top-up payment for homes with more than 60% low-means residents from 2028. Provider economics for lower-income residents have been broken for years. The Budget acknowledges that. It does not fix it.

For retirement village operators, residential aged care can no longer be assumed to be the place residents go when their needs grow. The structural mathematics of the next decade put villages at the centre of Ageing in Place, not at the periphery.

$3.5B

Annual Commonwealth saving from village residents delaying RAC entry plus reduced GP, hospital, and loneliness-related health costs. **The villages are not just absorbing pressure. They are saving the system money while doing it.**

The strategic question is no longer whether to be the pressure valve. It is whether to be ready when the pressure arrives.

Sources: *Federal Budget Papers 2026-27; Ageing Australia and BaptistCare post-Budget statements; AIHW Financial Report 2023-24; Mirus Australia RAD data; Retirement Living Council Better Housing for Better Health (2023).*

CHAPTER FIVE · VILLAGE LOCKED

They're already staying. Now what?

Three operational capabilities every operator needs to build, and the platform that supports them.

The single most important number in retirement living is not in any budget paper. It is in the PwC and Property Council Retirement Census.

7 → 9

Shift in average length of stay in Australian retirement villages, from 2016 to 2023. For independent living units specifically, 8.7 years and rising. **The largest single shift in retirement village economics in two decades.**

The Weekly Source has coined a term for it: "*village locked.*" Residents have not just decided to stay longer. They have decided to stay, full stop. They are receiving Support at Home services where they can get them. They are working with family to manage decline. They are doing precisely what the Royal Commission, the Aged Care Act, and the state retirement villages acts now formally protect their right to do.

The DMF model was underwritten by an assumption of approximately seven-year residency. That assumption is gone. Crystallisation is deferred. Resales slow. As The Weekly Source observed, "*sales targets do not.*" Operators are reporting up to one-third of residents receiving formal care in situ; DCM Institute reports Support at Home penetration of 29 to 35% in some major operators' village portfolios.

> The strategic question is not whether to respond, but how.

The shape of the response is consistent across the operators we have looked at while doing this work. Three operational capabilities, built deliberately, ahead of the curve. Care coordination. Operational visibility. Compliance infrastructure. The conclusion that follows sets out what each one looks like in practice, and what twelve months of execution against them produces at board level.

Sources: *PwC/Property Council Retirement Census 2023; DCM Institute (February 2026); The Weekly Source Village locked residents challenge future of Independent Living (March 2026).*

CONCLUSION

Three operational capabilities. Twenty-four months. One decision.

The question retirement village boards should be asking is no longer "*should we support Ageing in Place?*" That question has been answered. The question is what operational capability needs to be built in the next 24 months to meet that requirement well, without destroying the cost structure. Across the operators we have looked at while doing this work, the answer has the same shape.

01 Care coordination and delivery

Either as a provider of Support at Home services directly, or as a partnership layer with credentialed home care operators. Active operational design, not informal accommodation of resident requests.

02 Operational visibility

The lever that lets a constrained workforce deliver more for each resident. Early identification of decline, prioritised attention to residents at greatest risk, family kept informed before the call from the hospital. The capability where the gap between best-in-class and average is widest.

03 Compliance infrastructure

Condition reporting, complaints handling, audit trails mapped to the Victorian 2026 and NSW 2025 regimes and the Aged Care Act 2024 obligations. The operational floor.

Operators that build all three will absorb the village-locked shift without structural margin damage. Operators that build none will be forced into reactive responses at much higher cost, under regulatory pressure, within two to three years.

> Standing still is a decision. The villages that move first will quietly outperform the ones that wait.

THE ACTIONABLE FRAMEWORK

Six moves for the next 12 months.

The three capabilities are the strategic answer. The six moves below are the operational starting point — six discrete actions a retirement village CEO can initiate this quarter, each with a measurable indicator of progress within twelve months. The first three are foundational. The next three lift the village's actual care delivery capability above the sector average.

01 Re-underwrite the DMF model at 9–10 year residency

The original cash-flow projection assumed 7-year average stays. Actual stays are 9 years and rising in operators providing in-village care. Get the updated projection in front of the board before the next strategic plan or refinancing event. **Indicator:** revised cash-flow projections tabled at the next board meeting.

02 Map the resident base by contract type

Owner-residents (freehold, strata, shares, units) and non-owner residents (lease, licence, loan-licence) now operate under materially different legal frameworks. Compliance and termination obligations differ for each. A single resident register that codes each resident accurately is the foundation of everything that follows. **Indicator:** single source-of-truth resident register coded by contract type.

03 Decide the care delivery model

In-house Support at Home provider, single-preferred-partner, or open-coordination. Each has different operational, capital, and reputational implications. The decision is strategic, not opportunistic. **Indicator:** board-approved care delivery model with associated capital and operating budget.

THE ACTIONABLE FRAMEWORK CONTINUED

Three more moves — the operational lift.

Moves four, five, and six are the work that takes a village from compliant to ahead of the curve.

04 Build compliance to the Victorian 2026 standard

Condition reports, annual contract checks, capital maintenance plans, emergency plans, disputes registers, standard form contracts. Build it once, deploy nationally. Whichever jurisdiction you are in, the substantive elements will become mandatory within the planning horizon of most boards. **Indicator:** compliance dashboard with full Victorian regime coverage by month 12.

05 Close the 17%/61% Support at Home gap

Of the residents in your village who would benefit from Support at Home services, what percentage are actually receiving them? If the answer is materially below 30%, you have an immediate addressable gap that improves resident outcomes, supports retention, and reduces the operational pressure of an ageing-in-place population. **Indicator:** measurable lift in Support at Home enrolment as a share of residents who qualify.

06 Establish operational visibility over residents at risk

Not all residents are equally at risk of decline in any given month. Operators who can identify, prioritise, and proactively manage residents in the highest-risk cohort deliver materially better outcomes than those who manage reactively. This is the capability where the gap between best-in-class operators and the rest is widest. **Indicator:** a defined high-risk resident cohort under monthly review with documented intervention protocols.

SOURCES AND FURTHER READING

Every figure in this paper is sourced.

The full reference list below covers all data points used across the five chapters. Use it to verify, deepen, or take any figure directly into your own board paper.

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ABOUT THIS PAPER

— *Standing Still Is a Decision* is published by Lumin (mylumin.org), an age-tech company building purpose-built hardware, cloud, and AI platform for retirement villages and independent living communities in Australia and New Zealand.

— The paper draws on Lumin's internal *Age-In-Place Validation Brief* (May 2026, v2). The full brief is available on request.

— For corrections, queries, or to request the underlying source material, contact paul.wilson@mylumin.org.

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Not just ageing in place.
Thriving in place.

Lumin is the platform behind the three operational capabilities every retirement village needs to build over the next 24 months: care coordination, operational visibility, and compliance infrastructure. Hardware, cloud, and AI integrated in a way a point solution cannot replicate.

If any of the figures in this paper changed how you think about your village over the next 24 months, we would welcome the conversation.

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