

**BEFORE THE NAPIER CITY COUNCIL**

**UNDER** The Resource Management Act 1991

**AND**

**IN THE MATTER OF** a resource consent application by Bupa Care Services NZ Limited to the Napier City Council for a retirement village complex at 25 and 35 Ulyatt Road, Napier.

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**STATEMENT OF EVIDENCE OF RICHARD THOMAS STEPHENSON  
ON BEHALF OF BUPA CARE SERVICES NZ LIMITED  
CORPORATE  
8 August 2018**

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## Introduction

1. My name is Richard Thomas Stephenson and I am the Director of Property A&NZ Bupa Care Services NZ Limited (**Bupa**). My role is to oversee all property development, property asset management and property leasing for Bupa across Australia and New Zealand. This function serves our care home and retirement village businesses in NZ and Australia plus Bupa's health insurance, optical, dental and visa medical businesses in Australia. Previously I held the position of Director of Development and Property NZ. I held this role since 2015 and prior to that came from the position of Commercial Director of Independent Living, also with Bupa.
2. I have worked within the aged care industry for the past 16 years and have been responsible for the development of over 1,500 retirement village units nationwide. I currently manage a team of property professionals who look after Bupa's portfolio of properties, which comprises of 49 care homes and 33 retirement villages across NZ. I have also held senior roles within retirement village operational teams responsible for resident and staff welfare. I am currently a member of the Bupa NZ Executive team.
3. I hold a Master of Engineering Degree (MEng Civil Engineering) and am a full member of the Association of Project Managers UK (APM).

## Scope of evidence

4. My evidence will cover:
  - (a) A description of Bupa and its New Zealand operations;
  - (b) Relevant background regarding Bupa's retirement villages, aged care facilities, and integrated complexes; and
  - (c) The reasons why Bupa wants to develop a retirement living and aged care complex at Ulyatt Road, Napier.

## Bupa

5. Bupa is part of the Bupa Group, founded in the United Kingdom in 1947. Bupa (standing for British United Provident Association) is a global health and care company. Bupa has 10 million customers worldwide and operates in 195 countries in businesses ranging from health insurance to care homes for the elderly, and hospitals. The Aged Care division operates in six countries (England, Scotland, Wales, Spain, Australia and New Zealand). Bupa is the largest provider of aged residential care and the fourth largest provider of retirement village units in New Zealand.
  
6. Bupa has no shareholders. This is important because it means surpluses are reinvested in the businesses to provide more and better health care to respond to customers' changing needs. Our residents love the fact that they are in experienced hands, in a stable company with an enviable international reputation and extremely low debt levels.
  
7. Our sites have different levels of care, which generally fall into:
  - (a) Retirement villages.
 

A retirement village has villas and/or apartments, where residents live relatively independently supported by a village manager. A village usually has common spaces for residents to enjoy activities and socialise.
  
  - (b) Care homes and hospitals. These include:
    - (i) Hospital rooms. The hospital rooms are for those residents who require a greater level of care and a registered nurse on site at all times.
  
    - (ii) Dementia and specialist dementia rooms which are located within a complex which also includes common areas such as dining rooms etc.

We describe all types of care under the “umbrella” of Care Homes.

8. Bupa owns and operates 33 retirement villages in New Zealand, usually co-located on the Care Home sites and occupied by approximately 1500 residents.
9. Bupa also owns and operates 49 Care Homes consisting of rest home, hospital and specialist hospital around New Zealand. We have approximately 3,600 residents (as at 30<sup>th</sup> July 2018) in our various Care Homes with approximately 2500 FTE staff. Bupa delivers about 11 per cent of New Zealand's aged residential care.
10. Our facilities are built upon our values – caring for our people’s health and wellbeing, respecting their privacy and dignity, acting ethically, finding solutions most appropriate for our residents, dedicating ourselves to exceeding their expectations and being accountable for delivering quality and value. Our central focus is to enable all residents to maintain their independence knowing that our continuum of care ensures that extra help is available if needed. Each facility is structured to ensure residents receive the wide-ranging companionship that is an important part of residents’ lives and that they can receive health advice, regular welfare checks and daily health monitoring at prearranged times.
11. Bupa’s commitment to its residents, staff and families also extends to how it operates its business in the most sustainable way it can. Bupa currently invests approximately 1% of total capital expenditure in environmental impact reduction strategies. One of the most important contributors to Bupa’s environmental sustainability is through the design and build of efficient buildings. The current design strategy employs a design and build measuring tool called Homestar, and Bupa’s goal here is to achieve a 6 Star Homestar rating on all new Retirement Village developments. These include adopting design and build protocols such as over insulating, efficient use of energy for heating and lighting and adopting sustainable building practices, from the beginning of the build through to completion and ongoing operation. The Ulyatt Road development is no exception here.

## Ulyatt Road

12. Bupa proposes to establish a retirement village and care home complex at 25 and 35 Ulyatt Road comprising 49 care home rooms, 19 retirement apartments and 99 retirement villas (the **Proposal**). The proposal will integrate both retirement living and care home rooms to allow for progressive living options, and to cater for couples that have different levels of care. The integrated site offers greater care continuity and convenience for residents and the feedback from customers is overwhelmingly favourable.
13. The site is flat which makes it particularly suitable for elderly residents and was selected for its proximity to residential areas and local shops, while being of sufficient size to accommodate the Proposal. The location is well suited and will enable the local community to continue living close to the neighbourhood they are familiar with as their levels of care change.
14. Bupa carried out an evaluation of the land available for development within the Napier City area. Bupa considered alternative development locations at Parklands and at Te Awa, which are identified as growth areas for Napier in HPUDS.<sup>1</sup> At Parklands there was insufficient land available for the size and scale of our requirements. Bupa excluded Te Awa for further consideration due to a combination of land price and the development contributions payable. There was also a negative reaction from established Napier residents to using this location. This market-researched reaction is an important consideration as existing Napier residents provide a key source of potential retirement village occupants.
15. The average age of residents entering our retirement apartments and villas is 81 years old. Younger residents are not as attracted to Bupa retirement villages as our company is focused on health and care rather than "pure lifestyle". Therefore we build our accommodation with this in mind, designing self-contained functional spaces, leisure facilities for exercise and socialising, and amenities they require such as hairdressing salons and treatment rooms.

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<sup>1</sup> Heretaunga Plains Urban Development Strategy 2017, at p 2.

16. The average age of residents entering Care Homes is 82 years old. It is anticipated that the vast majority of the residents for the Care Homes will come from the neighbouring areas, so that the facility truly serves its local community.
17. Each Care Home is required to be certified by the Ministry of Health and is accredited under a strict audit regime that requires each Care Home to attain a level of certification from one to four years. There are currently 637 Care Homes in New Zealand owned by a number of providers. 190 of these homes have a four year accreditation, which is the maximum. Bupa currently has 19 of these Care Homes.
18. The Care Home provides a continuum of care for residents that are no longer able to live independently, and caters for any health concern that may arise for our residents ensuring that the right people are in the right place. Residents can live in a pleasant and comfortable environment that better caters for their needs.
19. A proportion of the Care Home residents are likely to suffer from dementia. Dementia is a disorder of cognitive function. Its prevalence rises with age, and dramatically so over the age of 80. The most obvious symptoms are a loss of short-term memory, and its consequent impact on communication and social interaction. Challenging behaviour, incontinence and confusion can also occur but can be reduced or mitigated through good care.
20. Even though most people with dementia are managed in the community in their own homes, those more severely affected require support in a residential care setting, as often their partners or families cannot cope. While there are specialised dementia care facilities within large aged care facilities, around one half of residents in care home or hospital units also suffer mild to moderate dementia. The Proposal will cater for these people but will not provide a specialised dementia unit.
21. The 2016 HPUDS Review notes that forecasts for the retirement sector housing demand points to a significant shift in age-profile over the next 30 years which sees the 75+ and 90+ age groups increasing by 172% and 286% respectively. The Review also states that the retirement sector analysis suggests retirement units will represent 30-40% of all future new-build housing in the Heretaunga Plains sub-region between

- now and 2045. The Proposal will contribute to the increasing retirement housing demands in the area.<sup>2</sup>
22. The growth in the aged demographic of the population was a key consideration for Bupa in providing a retirement village. Within the Hawke's Bay District Health Board area, the proportion of the population aged 75 and over will increase from a 2016 percentage of 7.7% of the total population to 13.6% by 2031, or from 12,430 to 22,810 persons over this period.<sup>3</sup>
23. The over-arching Government strategy for Health of Older People (2002) supports the concept of Ageing in Place. At a strategic level, Bupa considers that this proposal meets the residential requirements of the elderly as it allows residents of the apartments, villas or care home rooms access to hospital care on-site without the disruption and stress of entering another facility. The varying levels of care and living environments available represent a continuum of care model that provides for residents as their circumstances change over time. This concept particularly supports married couples whose levels of care may differ, as they are able to continue to age in place on the same geographical site, and to remain "connected" as a family unit. It also provides a facility for those who reside within the wider community.

## **Conclusion**

24. Bupa wish to develop the Proposal to meet increasing community demand for aged residential care beds by providing facilities that are acceptably modern and well designed. In addition, Bupa wish to provide apartments and villas to meet the needs of those older people of the community who may become more dependent in the future. We believe that this development will significantly improve local amenities for aged care and provide benefits to older people and their families within the Napier area. As well as building facilities, Bupa has a continuing commitment to being a good employer and being a part of the local community for the benefit of all.

Richard Stephenson

Date: 8 August 2018

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<sup>2</sup> Heretaunga Plains Urban Development Strategy 2017, at p 4.

<sup>3</sup> New Zealand Statistics 2014 – 43, 2013 base Projections Database.