

Affordable Housing for Older
Australians
The Bigger Picture

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Presentation to the COTA Over50s National Policy Council, National Press
Club, Canberra, 29 May 2008

Overview

1. Big Picture Issues
2. Housing Facts
3. Housing Policy and Directions

1a Big Picture: An Older Person's Perspective

- Striving to 'be oneself' through later life
- Fierce will for independence and not being a burden
- Imperative for Ageing in Place
- Health goals of feeling well, health as a resource, and quality as well as length of life
- A women aged 50 can expect to live 40 more years and never enter residential care
- Professionals, the public, and the media are making older people 'feel old' rather than 'normal ageing' (ageism)

1b The Challenge: Goals for An Age-friendly Australia

- Enabling opportunities to contribute
- Enabling independence rather than dependency
- Enabling social participation
- Resourcing choices especially for vulnerable older people

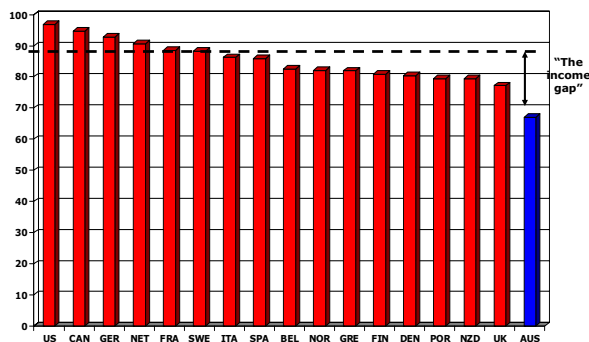
1c Need to plan constructively but there is no demographic doomsday ahead

- "While the potential fiscal and economic consequences are great, population ageing does not currently represent a crisis' (Productivity Commission, 2005)
- Older People are part of the solution as well as the 'problem': independence and productivity
- The big picture issues require planning and action over decades: act yesterday for 2020

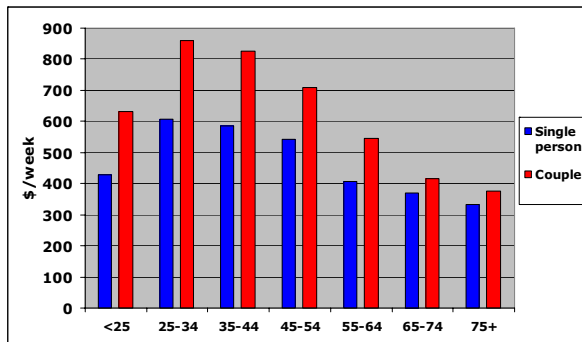
1d Attitudes and Values

- Recognising social change and the new era:
 - new 'third age of 10 to 20 years of healthy and productive life after retirement before frailty
 - New Post war cohorts after the depression cohort
 - Era of population ageing, rising incomes, and labour shortages ahead
- Principles of normal ageing over the life course
- Ensuring Fairness:
 - Intergenerational Equity (rising real incomes and increasing economic inequality)
 - Intra-generational Equity (the accumulating inequality over the over the life course – and to the next generations)

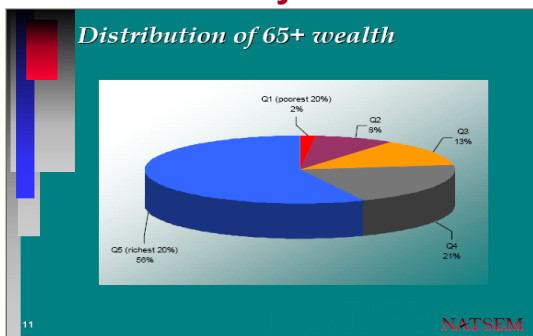
1e Incomes: International Comparison of Relative Aged Incomes (66-75 yrs as a % of overall mean; circa 2000) – from Peter Saunders SPRC UNSW



1f Mean Equivalised Disposable Incomes by Age, 2003-04 – Saunders SPRC



1g Diversity of 65+ Wealth – Simon Kelly NATSEM

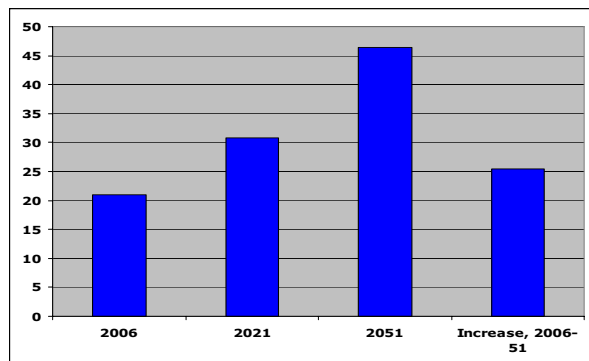


Source: Simon Kelly, The Intergenerational Perspective. Housing Futures in an Ageing Australia Conference, 2003

1h Diversity Among Baby boomers

- The public myths contrasted with their diversity (especially by social class)
- Relatively better off financially but few have enough retirement savings apart from their homes (fear)
- Relatively better educated and more women have had careers (more personal skills)
- Problematic and mixed health trajectories
- More mobile, fewer children, fewer married
- Developing expectation gaps

1i Electoral Politics: The Electorate (age 65+ as a % of age 18+) – from Peter Saunders SPRC



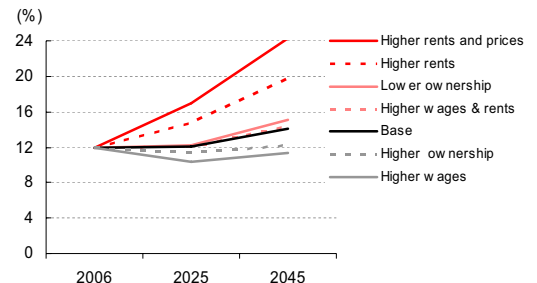
Part 2

Housing and Affordability

2a Key Housing Concepts

- Housing is: accommodation, location and access, standards of living, wealth accumulation (or not); a support or demand (it is all connected)
- Housing trajectories over the life span (accumulation of dis/advantage)
- Enduring impacts on the housing stock and market
- Massive changes in public policy over recent decades (notably loss of public housing)

2b The Housing World Ahead... Rates of housing stress under different scenarios



Housing stress is the pct of lower income households (lowest 40%) paying 30% or more on housing of income. Source: Yates, Kendig, et al. Sustaining Fair Shares in Australian Housing 2008 (report for AHURI)

2c Housing Tenure of Older Australians (Age 65+ yrs 2001)

- 69 % outright owners (rising slightly since 1991)
- 7 % purchasers (declining)
- 4 % public tenants (declining)
- 7 % private tenants (increasing)
- 8 % non private (stable)

Source: Australian Institute of Health and Welfare (2007) Older Australians at a Glance, Canberra, The Institute.

2d Housing Costs as a % of Gross Income

- All Older Households (7%)
- Older Outright Owner¹ (4%)
- Older Public Tenant (25%)
- Older Private Tenant (33%)
- All households (14%)

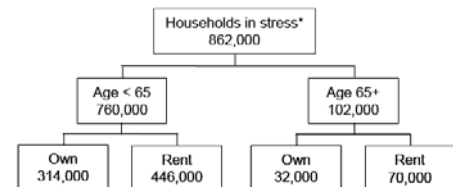
1. 15% if also include repairs, maintenance, body corporate, insurance (and excluding rates)

2e Rent Assistance and Public Housing – limits of current approaches

- 30% of 65+ RA recipients pay more than 30% of incomes (low) on housing (after CRA payments)
 - 7% pay more than 50%
- Public housing ongoing declines from 372,000 units in 1995 (and continuing).
 - currently 29% of public tenants are aged 65 yrs and over)

2f The Numbers in Housing Stress

Figure 1.2: Households in stress by age and tenure, 2002-03



*Households in stress defined according to 30/40 rule with lowest 2 income quintiles defined by the equivalised disposable household income distribution.
Source: Survey of Income and Housing, 2002-03, confidentialised unit record file

2g Intensity of Hardship

- AHURI projects that the numbers of people aged 85 years and over in low income rental households will increase from 195,000 in 2001 to 419,000 in 2026 (2/3 sole women).
- Declining proportions of 45 to 59 yr olds who are home owners: 55% 95-96 to 36% '05-'06.
- Multiple vulnerabilities of low income, insecure housing, poor health, and social isolation.
- And risks of premature and inappropriate entry to residential care

See Naufal and Naughtin 'A Significant Minority: Improving Housing Outcomes for Older Australians', Brotherhood of St Laurence, forthcoming
COTA Over 50s Housing Needs of Low-Income Older Australians, March 2008

3a Directions for the Future

- We are in the early stages of nation building.
- A new vision after the legacy of Older People and the Howard government.
- Renewed focus on fairness, social inclusion, renegotiating federalism
- A precious opportunity: narrow window ahead with national and state leadership

3b Where Do Older People Stand in Key Labor Policy Initiatives?

- First Owner Saver Accounts - which will help younger Australians
- Housing Affordability Fund - which will increase housing supply
- National Rental Affordability Scheme - which will provide investors tax incentives
- A better approach to land release - with surplus Commonwealth land being released
- COAG discussions on public housing
- Single pension levels and taxation review
- State and local government action on urban form, urban planning and transport
- And older people in social inclusion and economic productivity agendas (and so much more)

3c Towards Constructive Policies: FOR DISCUSSION & COALITION BUILDING

- The value of a life span and needs-based approach (Labor successes with Keating/Howe governments)
- The value of evidence, planning, and open public debate (the ideals of the 2020 Summit)
- Ageing as central to the efficiency and environmental sustainability of our housing systems and urban areas.
- Unbundling accommodation and care sensibly in a reconfigured federalism under COAG
- (Dare one mention wealth and inheritance?)
- The moral challenges and opportunities of ageing in nation building (a real national strategy on ageing)
- Coalition building: COTA Over 50s, Aged and Community Services Aust, Brotherhood of St Laurence (and National Seniors Aust and Combined Pensioners and Superannuants?)

Additional sources

- Kendig, H. and Bridge, C. (2007) Housing policy for long-lived society. In A. Borowski, A., Encel, S. and Ozanne, E. *Longevity and Social Change in Australia*, Sydney: University of New South Wales Press, 219-238.
- Bridge, C., Phibbs, P., Kendig, H., Mathews, RM and Cooper, B. (2008) *The costs and benefits of using private housing as the home base for care of older people*: Final Report for the Australian Housing and Urban Research Institute, Sydney
- Making Housing Affordable Again – Australian Government, 2008
- National Rental Affordability Scheme: Technical discussion paper – Australian Government, 2008.

Doing Real and Innovative Things: Apartments for Life - the Benevolent Society

