

Affordable Housing for Older  
Australians  
The Bigger Picture

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## 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

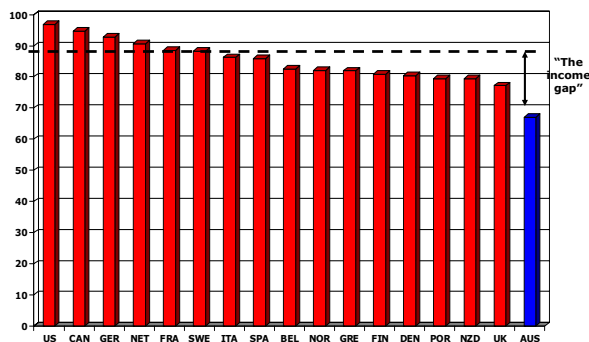
### 1c Need to plan constructively but there is no demographic doomsday ahead

- "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

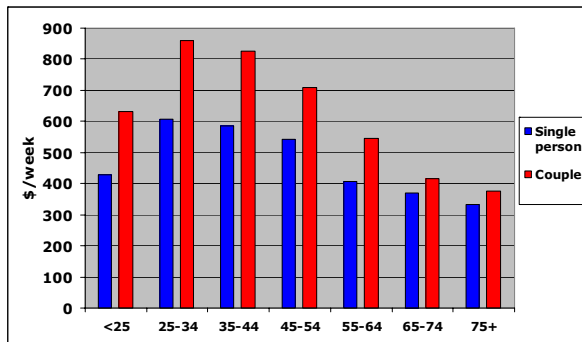
### 1d Attitudes and Values

- 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)

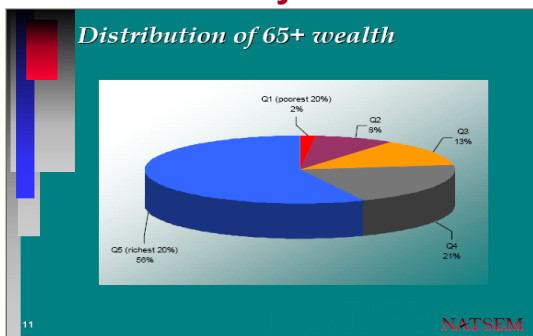
**1e Incomes: International Comparison of Relative Aged Incomes (66-75 yrs as a % of overall mean; circa 2000) – from Peter Saunders SPRC UNSW**



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



**1g Diversity of 65+ Wealth – Simon Kelly NATSEM**

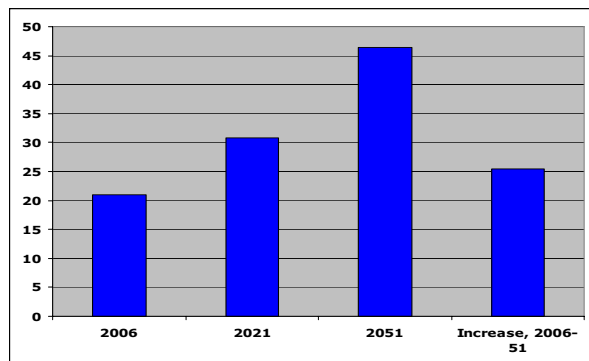


Source: Simon Kelly, The Intergenerational Perspective. Housing Futures in an Ageing Australia Conference, 2003

**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**



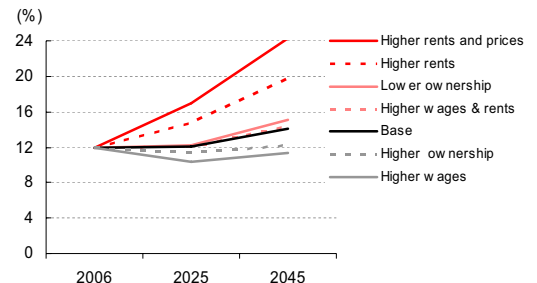
## Part 2

### 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 Owner<sup>1</sup> ( 4%)
- Older Public Tenant (25%)
- Older Private Tenant (33%)
- All households (14%)

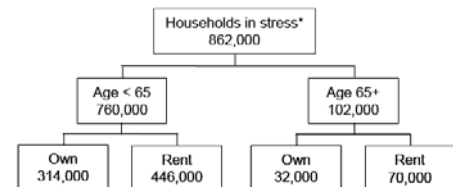
1. 15% if also include repairs, maintenance, body corporate, insurance (and excluding rates)

## 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

