

Our ageing population and housing

Since the late 1800s life expectancy for Australian boys and girls has increased by over 30 years. At that time the average life expectancy of a newborn boy was 47.2 years, while that of a newborn girl was 50.8 years. By 2007–2009, average life expectancy had risen to 79.3 years for newborn boys and 83.9 years for newborn girls. Following the increases in life expectancy, Australian fertility rates started to steadily decline by the 1960s and have been below the population replacement level for the last twenty years. The combined result of these two unprecedented trends is that Australia, like other modern societies, is experiencing a powerful new demographic and social dynamic.

The key group shaping Australia's ageing population for the next few years is the 'baby boomer' generation – those born between 1946 and 1964. This period was characterised by high fertility rates and an immigration boom comprising predominantly young families. Between 2011 and 2031, it is expected that the ageing of this cohort will increase the number of Australians aged 65 years and over from 2.4 to 5.8 million. The Intergenerational Report 2010: Challenges and Priorities for Australia projects that over the next 40 years, the proportion of the population over 65 years will almost double to around 25 per cent.

Homelessness

There were estimated to be 105,237 homeless people in Australia on the night of the Census of Population and Housing in 2011. This is a 17.3% increase from the 89,728 estimated to be homeless on census night in 2006. Most of the increase in the estimated homeless population between 2006 and 2011 is attributed to a 31.3% increase in the number of people living in severely overcrowded dwellings (Homelessness Australia 2014).

Older people and homelessness

Older people make up a significant portion of the homeless population in Australia. The numbers of older people living in homelessness within Australia are increasing with 12, 246 people in 2006 and 14,851 people in 2011. The proportion of older people in the total homeless population remains much the same (Petersen & Jones, FaHCSIA 2013).

According to the ABS, 14,851 people aged 55 and over were experiencing homelessness on Census night 2011. This is approximately one out of seven people counted as experiencing homelessness in Australia. Over 55's make up over 25% of the Australian population, and while they are under-represented in the homelessness data, they are even less likely to receive support from specialist homelessness services. People over 55 consist of only 6% of clients accessing specialist homelessness services in 2011 – 12. This is partly due to the service system design but also indicates that there is a lack of beds for older Australians within the homelessness service system (Homelessness Australia 2014).

Home Ownership

Between 1991 and 2011, house prices increased by 263%, while after-tax income increased by only 95%. The disparity intensified particularly between 2001 and 2011, when house prices increased by 147% and disposable income by just 57%. Monthly loan repayments for dwellings bought at a median price with the help of a loan from the Commonwealth Bank in December 2012 varied across Australia from \$2,020 to \$3,471 (Homelessness Australia 2014).

Older Home Owners

The proportion of older people who own their home outright, termed 'owners', has decreased by 4.9 per cent. In 2006, 1,744,190 older people who owned their own home represented 63.8 per cent of the total number of people aged over 55 living in occupied private dwellings (2,666,439). In 2011, 1,882,678 owned their own home; this represented 60.5 per cent of all Australians aged over 55 living in occupied private

dwellings. The number and proportion of older people who are purchasing their home with a mortgage or under a rent buy scheme has increased from 14.5 to 17.7 per cent (Petersen & Jones, FaHCSIA 2013).

Affordable housing

The term affordable housing includes public housing, community housing, state-owned and not-for-profit owned housing. In 2012, there were 402,516 social housing dwellings in Australia. There were 224,876 applicants waiting for social housing in 2012. The number of social housing applicants has increased between 2008 and 2012 by 12.4%.

The number of public housing dwellings declined by more than 40,000 from 372,000 in 1996 to 330,000 in 2008, leaving 250,000 Australians to languish on public housing waiting lists, the majority for more than a year (Homelessness Australia 2014). Public housing expenditure was reduced by successive federal governments since the 1980's by about 60% in favour of rent assistance support in the private rental market.

Private rental housing

Between 2002 and 2012, the average nominal rent increased by 75.8% for houses and 91.8% for other dwellings (mostly flats/apartments), while average earnings rose by 57% and house prices rose by 69%. There is a shortage of affordable and available dwellings for rental in the private market for households with lower incomes. In 2009–10, there was a shortage of 539,000 private rental dwellings that were both affordable and available for renters with gross incomes at or below the bottom 20% of income earners (Homelessness Australia 2014).

Older Private Renters

Generally older people rent in the private market out of necessity rather than choice. Private rental housing is fundamentally insecure, unaffordable, unsafe and unadaptable for older people. An older person renting an average one bedroom flat in Melbourne would be paying

The number of older people renting privately in Australia has increased by 100, 826 persons from 2006 to 2011. At the time of the 2011 Census 336,174 people aged 55 years and over rented privately whereas in 2006 there were 235,348 persons. In Victoria there are 75470 older renters, an increase from 52,309 in 2006. This represents an increase of 44% over the five year period from 2006-2011 (Petersen & Jones, FaHCSIA 2013).

Affordability of private rental accommodation is a key problem. An aged pensioner is paying 63% of their income in rent for an average one bedroom flat in Melbourne. This includes income from all sources such as pension, pension supplement, energy supplement and rent assistance.

What is needed?

HAAG is calling on state and federal governments to urgently establish an older persons housing strategy. The strategy should develop a plan for the future housing needs of older Australians, particularly those on low incomes and low assets.

An older persons housing strategy will:

- Ensure there is adequate housing supply for older Australians
- Provide a range of housing options to suit the diverse housing and aged care needs of older people reaching retirement
- Better regulate the private rental sector to enable older people to sustain tenancies longer term
- Provide a range of housing services to assist older people to make informed decisions about their independent accommodation needs.