

Independent Living Units: Underfunded and Misunderstood

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Australia has an aging population with diverse backgrounds and experiences; 37 per cent of older Australians were born overseas.¹ Historical and contemporary privileges and disadvantages have impacted different Australians' ability to gain and maintain employment, accrue savings, build financial literacy, contribute to superannuation, own property and prepare for a secure, enjoyable retirement in later life. This means there is great variation in the incomes and assets of older people, therefore their ability to access retirement accommodation options that suit their needs; financial, physical, mental, emotional, and social.

Regardless of age and life stage, the dream of home ownership and with it financial and housing security, drives Australians to enter the property market. There is an assumption that by retirement age, people will own a property, have some superannuation and savings and live off a modest income. This is not true for many older Australians.

There is an increasing population of older Australians who receive regular income, have moderate savings, superannuation, or both, but are finding it hard to locate affordable, secure, appropriate retirement housing as an alternative to paying unsustainable private rental prices. This population often do not have the resources or property equity to purchase a unit in a retirement village or residential park, but their savings and superannuation deem them ineligible for public and social housing. So what retirement housing options do they have?

In the past, this population has been able to find security and a home in independent living units (ILUs).

Between 1954 and 1986, 32,971 ILUs were built by not-for-profit organisations and approved for Commonwealth Government funding subsidies.² These properties were to be permanently used as housing for older people. Currently, most ILUs fall into one of three categories; government funded, resident and government funded and solely resident funded. Though there is this variation, ILUs are still predominantly provided by not-for-profit organisations and targeted at low income, low asset older people. According to AHURI's 2004 report, *'Independent living units: the forgotten social housing sector'*, ILUs provided 27 per cent of all social housing for older people.³

In 2018, this number is decreasing. Furthermore, the condition of this housing stock, that is decades old, does not align with resident expectations and living requirements. This, combined with the current housing market, means many ILU organisations must make difficult and strategic decisions regarding their responsibility and ability to provide affordable and secure housing to older people. These decisions are most commonly to: withdraw ILU provision, sell ILU stock to finance residential aged care developments, or greatly increase the ingoing fees and resident contributions to fund stock upgrades. Whatever the decision, older people with limited financial resources are going to experience increased barriers to accessing affordable, appropriate, independent housing.

The decline in government funding to ILUs combined with the target demographics' low income and low assets means that for many ILU organisations major changes,

redevelopments and financing must be actioned to remain afloat. The redevelopments, repricing and rebranding of the housing stock means that older people who have previously been able to afford ILU living cannot meet the expense of the 'new and improved' ingoing contribution fees. If the ILU site is demolished and rebuilt as a residential aged care facility then the older people who wish to live independently, accessing in-home and out-of-home support services only when they choose, will not be satisfied physically, psychologically, emotionally or socially by this alternative housing option. Furthermore, the fees required for residential aged care supports can absorb a vast majority of an older person's pension, meaning they have further limited control and self-determination in how they live their lives.

In 2015, Housing for the Aged Action Group (HAAG) produced the *Independent Voices* report on the experiences of older people living in Victorian ILUs.⁴ When commencing this project one difficulty that arose was that there is no accurate database that includes all ILU locations, their condition, their ingoing and ongoing fees and their availability. This means that as this housing gets demolished, redeveloped, repriced and rebranded, it is difficult to know where the physically and financially accessible independent living options still lie for the older people that have traditionally relied on this housing option. Anecdotally, Housing for the Aged Action Group's (HAAG) retirement housing service believes that the ILU sector is undergoing a transformation. However, there is a lack of systemic research into this 'change of use'.

HAAG's research demonstrated that ILU-style retirement housing is a preferred option for many older people. However, this type of affordable housing is becoming increasingly rare. Older Australians want secure, affordable, accessible housing that suits their current as well as their future lifestyle and health needs. Additionally, maintaining family, social, community and neighbourhood connections is integral to a healthy, happy and engaged later life.

As ILU housing options become more expensive and uncommon, older

people are being forced to move into other inappropriate housing, often further away from familiar surrounds. Unsustainable private rentals, unsuitable or overcrowded family living situations, more temporary accommodation and physically and socially isolating locations that disconnect them from their social networks and vital services, are common concerns for HAAG clients. For older people to age well, they need a range of housing options to suit both their income, social and lifestyle needs. Independent living units are an essential part of this mix.

Endnotes

1. [http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by per cent20Subject/2071.0~2016~Main per cent20Features~Ageing per cent20Population~14](http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by+per+cent20Subject/2071.0~2016~Main+per+cent20Features~Ageing+per+cent20Population~14)
2. https://www.ahuri.edu.au/__data/assets/pdf_file/0016/2833/AHURI_Positioning_Paper_No59_Independent_living_units.pdf
3. https://www.ahuri.edu.au/__data/assets/pdf_file/0016/2086/AHURI_Final_Report_No53_Independent_living_units_the_forgotten_social_housing_sector.pdf
4. https://www.older tenants.org.au/sites/default/files/independent_voices_report_2016.pdf



Friends at Gordon House by Dorothy Lippmann