

NATIONAL AGED CARE ALLIANCE

POSITION PAPER

A secure, affordable home for older Australians

About the National Aged Care Alliance

The National Aged Care Alliance (the Alliance) comprises 51 peak body organisations representing consumers and their families, informal carers, special needs groups, nursing, allied health and personal carers involved in the aged care sector, and private and not-for-profit aged care providers.

As a leading voice for improvements to aged care for the past decade, the Alliance strives to implement its vision for ageing in Australia, that:

Every older Australian is able to live well, with dignity and independence, as part of their community and in a place of their choosing, with a choice of appropriate and affordable support and care services when they need them.¹

¹ National Aged Care Alliance, Enhancing the quality of life of older people through better support and care, NACA Blueprint Series (June 2015), www.naca.asn.au/Publications/NACA_Blueprint_2015_Final.pdf

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A secure and affordable home is at the heart of a fair aged care system

The National Aged Care Alliance (the Alliance) has developed this paper to highlight the urgent need to provide secure, suitable and affordable homes for older Australians now and into the future.

A secure and appropriate home is the key to successful ageing and underwrites the delivery of high quality, life affirming aged care: the structure and funding of our aged care system presumes that people own their own home or enjoy living in secure and affordable rental housing, while aged care itself is increasingly focussed on providing that care in the home.

For active older people, a secure and well-located home also enables their ongoing engagement with and contribution to their own communities and wider society. Those who experience ill health or injury as they age will require housing that is capable of adjusting to meet their changing needs.

However, a growing number of older Australians live in unaffordable, insecure and inappropriate housing. In part, that is the consequence of the continuing failure and inequity of Australia's housing market. But the extent of demographic and economic change is also amplifying the demand for affordable high quality housing. A failure to ensure the implementation of design principles (the Livable Housing Australia guidelines²) which would facilitate age-friendly living in newly built housing has led to many homes becoming unsuitable once a person experiences illness or injury, and to a lack of supply of suitable homes as alternatives. This makes a decisive public policy response both essential and urgent.

Australia is on the threshold of a sustained increase in the number of lower-income older renters. The number of people aged 65 and over living in lower-income rental households is projected to increase by 115% from 195,000 in 2001 to 419,000 in 2026³. Coupled with the current occupancy rate of 20.1%⁴ of over 65s currently living in public housing, the past and projected housing trends have not been matched to effective housing policy and it is now critical this is addressed.

Older Australians hope to remain engaged and contributing members of society throughout later life, drawing on a new aged care system that is focused on sustained independence and care at home. In this context, a home that is fit-for-purpose with secure tenure is a necessity. In an affluent developed nation like Australia it should also be an achievable right.

We acknowledge that governments across Australia are seeking to address housing unaffordability. Any plan for older Australians needs to be integrated with other initiatives.

At the highest level, the Alliance calls for:

- An immediate national plan, involving all levels of government and service providers, to increase investment and the supply of housing that is secure, affordable and suitable for older people on low incomes
- Immediate implementation of the Livable Housing Design Guidelines for all new housing built in Australia

² Livable Housing Australia, Livable Housing Design Guidelines 2nd Edition (2012), http://livablehousingaustralia.org.au/library/help/Livable_Housing_Design_Guidelines_Web1.pdf

³ AHURI, Rental Housing provision for lower income older Australians (May 2007) p.viii

⁴ Source: AIHW National Housing Assistance Data Repository 2015-16

- A home modification program that makes housing age-friendly, encourages home owners to make housing accessible and enables people to remain living at home as they age
- Increased focus on integrated social infrastructure which promotes well-being via social connection such as linked aged care, housing and community development initiatives
- Investment in innovative, co-located and well-designed mixed use sites that build in social housing, community facilities and residential aged care
- Tax reforms with an aim to reduce property price pressures, incentives to facilitate downsizing and planning reform that stimulates quality mixed use supply of social housing for older Australians
- Consistent legislation and regulation across all states and territories that provides effective security of tenure and protection for tenants
- A national priority for planning and development which specifically considers the needs of older Australians through inclusive urban design and infrastructure provision in well serviced areas

This paper concludes with more detailed recommendations.

The importance of the home in delivering quality aged care

Secure housing is fundamental to wellbeing. The great majority of older Australians want to remain living independently in their own homes for as long as possible. This does not imply they must own their home, rather than living in rental accommodation. What it does mean, however, is that if older Australians cannot access safe, secure, affordable accommodation that is appropriate to their circumstances then their capacity to remain independent, and their wellbeing, will be severely diminished.

One of the key features of the new model of home care is that it is ‘consumer directed’. A defining characteristic of Consumer Directed Care (CDC) is that it allows for greater choice, voice and control. This improves social inclusion and community engagement⁵ for older people, which in turn enhances their social and emotional wellbeing.

However, when an older person is spending a large proportion of their income on accommodation costs this causes them to cut back on other costs like food or heating and can dramatically reduce their wellbeing and impact on their capacity to engage in community activities. Similarly, if through the loss of a home they can no longer remain connected to their community of choice, then the concept and benefits of CDC and empowerment are seriously compromised.

The new model of home care also has an overarching commitment to restorative care, reablement and wellness. However, people in insecure and unaffordable housing are at a profound disadvantage. Not only do the insecurity, poverty and hardship that are a part and parcel of these home circumstances take away their choices in life, they even make the small home modifications that can help them restore or maintain their capacity and independence impossible. This puts them at risk of poorer health outcomes and greater social isolation than home owners and public housing residents.

⁵ Brotherhood of St Laurence, Increasing consumer choice in aged care services, A position paper, Laragy and Naughtin, 2009. p.4

Finally, home care packages can provide care to a very high level, including advanced chronic disease such as Parkinson's Disease, diabetes and dementia, as well as palliative care for end of life. Not only does this involve clinical health services of a high order, it needs family and community support. We know that continuing care at home is the preference for many people and for their families. And we also know it costs the public much less than hospital or residential aged care. But high level home care absolutely relies on the person being cared for having an appropriate, safe, secure and well located home; making affordable housing a fundamental issue for the Alliance, Government and the community.

Infrastructure for Active Ageing

The longer lives and improved health most Australians now enjoy has made the 15-20 years after conventional retirement age a time for 'active ageing'; where people may continue with part time work or local volunteering, pursue other interests, maintain their health, and give back to their family or community. However, options are very different for people who are wealthy, and can draw on others for support, than they are for older people entering their early old age without these advantages.

Equitable access to the benefits of active ageing requires an infrastructure of affordable and responsive:

- transport;
- accessible social services and community facilities;
- community development and opportunities to participate in community and
- improved urban amenity.

In addition, disposable income and a secure and affordable home are required.

People also need to be able to make choices in relation to affordable and suitable housing options e.g. to live in or near to their communities or workplaces.

Work by the Benevolent Society NSW has found the most important factor influencing older people's wellbeing was housing, yet housing affordability and suitability is becoming an increasing issue for older people in Australia.⁶

Poor quality and unsuitable housing – both existing and new – is also a problem that must be addressed. This is true for the aged, those living with a disability and their families, and those who are ageing with a disability. We refer to the Senate Inquiry into outcomes of the COAG's 2010-2020 National Disability Strategy (NDS), and unrealised policy direction of "improved provision of accessible and well-designed housing with choice for people with disability about where they live"⁷ and the evident failure of National Dialogue on Universal Design⁸ to deliver any substantial progress on improving the quality and suitability of housing for the frail aged and people with disability.

6 Tanton, Vidyattama and Miranti, 'Small area indicators of wellbeing for older Australians', NATSEM Report, 2016, (IWOA), NATSEM and Benevolent Society, Canberra and NSW, accessed 12 December 2016, <https://www.benevolent.org.au/think/index--of--wellbeing--for--older--australians>

7 Senate Community Affairs Reference Committee, *Delivery of outcomes under the National Disability Strategy 2010-2020 to build inclusive and accessible communities*, APH, (29 November 2017), p.8

https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Community_Affairs/AccessibleCommunities/Report

8 *National Dialogue on Universal Housing Design. (2010). Strategic plan.* Retrieved from https://www.dss.gov.au/sites/default/files/documents/05_2012/national_dialogue_strategic_plan.pdf

While physical infrastructure and amenity is pivotal, social infrastructure also has a significant part to play in well-being. Investment in, and support for, platforms which enable community connection, community contribution and collective impact provide immense benefit to local communities and the older people who participate, in particular, reducing social isolation. For example, an older social housing resident in South Australia advised the only time she left her house recently was to attend local cooking lessons put on by AnglicareSA and this enabled her to make a new friend with a lady one street away. This is the first new friend she has made in years.

Enabling flexibility and customer choice within home care funding is a good example of creating a platform for increased and agile investment in social infrastructure which can provide and respond to a variety of capacity building and social impact activities.

Growing housing pressure on older Australians – a perfect storm

For many decades, most older Australians have had the protection of high home ownership levels, with a strong safety net of secure public housing for low-income, non-home owners. This has made it possible for older people, most of whom have relied on modest public pensions, to expect independent and secure (if economically humble) lives. This is no longer the case.

Australia is seeing a dramatic increase in the number of people, and the proportion of its population, living beyond the age of retirement, both playing an active role in the community and seeking the support of our aged care system. Between 2012 and 2031 the number of Australians aged 65 years and over will increase from 3.2 to 5.8 million, growing to approximately 20% of the population⁹, but home ownership is not increasing.

Australian house prices have almost doubled since the mid-1990s in real terms; a much faster rate than income growth¹⁰. Booming house prices are preventing people from buying a home except where they or their families are already wealthy¹¹. As a result, home ownership rates continue to fall across Australia, with the greatest reductions in home-ownership among low-income households¹². In addition, house prices often preclude single income households from buying a home¹³ which is a particular problem given that in 2016, almost a quarter of households in Australia are now occupied by a single person, with a median age of 64 years for women living alone and 54 years for men¹⁴.

We can expect the trend to continue. The proportion of people aged 55+ who own their home outright has already dropped (from 64% to 60% in recent years¹⁵), and we are seeing an increase in the number of people carrying a debt into their retirement, and at risk of mortgage stress when their incomes fall or interest rates rise.

9 ABS 3222.0 - Population Projections, Australia, 2012 (base) to 2101

10 Daley, J., Coates, B. and Wiltshire, T., "Why should we care about housing affordability?" Inside Story", 2017. <http://insidestory.org.au/why-should-we-care-about-housing-affordability/>

11 Daley, J. and Wood, D. 2014 The wealth of generations. Grattan Institute. <https://grattan.edu.au/wp-content/uploads/2014/12/820-wealth-of-generations3.pdf/>

12 Op.cit., Daley, J., Coates, B. and Wiltshire, T, 2017. /

13 Citing Professor Burke, Swinburne University cited in Chalkley-Rhoden, S. 2017 Home ownership in Australia in decline for three decades: Grattan Institute. ABC News <http://www.abc.net.au/news/2017-07-17/home-ownership-in-australia-declines-for-decades/8677190>

14 Australian Bureau of Statistics. 2016. Census of Population and Housing 1991, 2016. <http://www.abs.gov.au/ausstats/abs@.nsf/mf/2071.0>

15 Housing for the Aged Action group: <https://www.older tenants.org.au/ageing-edge-national-action-project>

Unfortunately, public housing no longer acts as the strong safety net it once was for older people. Between 1996 and 2007 the number of public housing properties shrank by 32,000 while the population grew by 2.8 million people. By 2011, there were 173,000 Australians on public housing waiting lists. Furthermore, over the past decade there has been a substantial growth in high need and urgent applicants on public housing waiting lists across all jurisdictions. The demand pressure is underpinned by an ageing population as well as increasing incidence of family breakdown and the requirement for specialised supports to sustain appropriate housing. The combined effect of these with reduced supply, low vacancy rates and complexity of the tenant group exposes older people in particular, to a lack of appropriate and adequate public housing choices.

While the transfer of public housing properties to community housing providers may offer a path to a more secure and community connected home for older tenants – as discussed later in the paper – the supply of social housing overall is without doubt inadequate.

The failure of the private rental market

A growing number of older Australians can now expect to rent their home in the private market. Over five years (2006-2011) the number of people aged 55+ living in private rental increased by 44%¹⁶. That number has continued to grow. If there is no increase in the supply of social housing stock for older people, seven out of every ten renters will need accommodation in the private rental market compared to fewer than four in ten today.¹⁷

Most importantly, the private rental market in Australia is not suitable for older people. There are four key reasons.

Cost

They can't afford it. Anglicare Australia's 2017 research found only 4% of all advertised private rentals were affordable for aged pensioner couples, and just 1.6% for singles¹⁸. Consequently, older people with low incomes (67 per cent of all low-income households in South Australia) pay more than 30 per cent of their income in rent, even with Commonwealth Rent Assistance¹⁹. Many pay much higher. In cities especially, median rents have grown at much faster rates than pensions and low wage incomes. While in regional and rural Australia there is simply a dire shortage of low cost housing available to rent.

Security

There is no real security of tenure. Renters are forced to move much more often than home-owners²⁰, and often live with both lease uncertainty and increasing rent. This ongoing insecurity undermines the establishment and maintenance of the care, health and social relationships that are so essential to the wellbeing of older people.

¹⁶ Ibid.

¹⁷ K Hulse, M Reynolds, W Stone & J Yates, June 2015 - "Supply shortages and affordability outcomes in the private rental sector: short and longer term trends" Australian Housing and Urban Research Institute

¹⁸ Anglicare Australia, April 2017, Rental Affordability Snapshot

¹⁹ Fiedler J, Faulkner D. September 2017, Finding a Suitable Home for Older People at Risk of Homelessness in South Australia: Housing for the Aged Action Group, The University of Adelaide and The Wicking Trust

²⁰ Ellis, Luci 2017 Speech: Opening remarks to Plenary Panel at the Australasian Housing Researchers Conference. Reserve Bank of Australia <http://www.rba.gov.au/speeches/2017/sp-ag-2017-02-16.html>

Design

The housing itself is inadequate. Most private rental accommodation is neither designed for nor adjustable to, the physical needs of an age cohort that has higher rates of disability, mobility limitations and health concerns than the younger population. The failure of the National Dialogue on Universal Housing Design, and COAG's subsequent call for a Regulatory Impact Assessment regarding accessible housing for private residences²¹ as a matter of priority indicates the depth of the problem.

Rental housing at the lower end of the market is inevitably the most unlikely to meet the needs of tenants who are frail or living with a disability.

Location

Appropriate housing is not available where people need it. The housing market is divided between those who can afford to live near the facilities and amenities they need and want, and others – especially those on low incomes or members of marginalised communities – who have reduced access to the supports necessary for their health and quality of life²².

At a disadvantage

The Alliance is committed to ensuring equity of access and outcomes in the future aged care system²³. However, a number of population groups and communities in Australia bear the brunt of the failure of the housing market.

Most older Australians rely on the pension as their main source of income and have few resources as a buffer for adverse events. All people living on low incomes are disadvantaged in the private rental market.

The shortage of affordable, suitably located, rental housing is also a problem for people on low to moderately paid employment, and their families. For a large percentage of the aged care and associated social services workforce it is increasingly difficult to find affordable rental properties close to their places of work. That creates difficulties for them, and for those people seeking their care.

Women in general are vulnerable due to the prevalence of low paid and interrupted careers, their generally lower rates of savings and superannuation, and the growing proportion of single women households. Older single women are the fastest growing cohort of homeless people.

Aboriginal and Torres Strait Islander People and those from Culturally and Linguistically Diverse backgrounds are particularly, and systemically, disadvantaged. They routinely experience discrimination when applying for leases. They can have great difficulty finding culturally appropriate housing – suitable for instance for families in Aboriginal remote communities or large refugee families in our cities – which the private rental market simply does not address.

21 Building Ministers Forum (2017) Communique October 2017. Retrieved from <https://industry.gov.au/industry/IndustrySectors/buildingandconstruction/Documents/BMF-Communique-October-2017.pdf>

22 <https://aifs.gov.au/cfca/publications/relationship-between-transport-and-disadvantage-austr> Daley, J., Coates, B. and Wiltshire, T. 2017. Why should we care about housing affordability? Inside Story <http://insidestory.org.au/why-should-we-care-about-housing-affordability/>

23 National Aged Care Alliance, Equity of Outcomes and Access Statement (2016), http://www.naca.asn.au/Publications/Equity%20of%20Access%20and%20Outcomes%20Statement%20of%20Principles_Landscape.pdf

Recommended action

The National Aged Care Alliance is stepping into the broader housing debate, provoked by the plight of the growing number of older people in housing stress and distress; the rapidly changing, mainstream housing profile of Australians as they age; and the sweeping changes underway that support older people to maintain control in their own lives in regard to where, when and how they access care and support. The latter, which is at the centre of the Alliance's vision for aged care, is not possible when an older person does not have a secure home.

The Alliance recognises the Federal Government's current initiatives to increase institutional investment in affordable housing through the establishment of the National Housing Finance and Investment Corporation. In addition, participants in the aged care and community housing sector consistently demonstrate innovative housing products and services that strive to increase well-being and diversity of choice for older Australians. However, further steps need to be undertaken to resolve the current state of market crisis.

The Alliance calls for

1. The development of a national housing plan, led by COAG, in consultation with industry and the sector, with a particular focus on meeting the needs of older Australians
2. The urgent provision of public funds to rejuvenate and increase the supply of outdated independent living units and social housing stock – with funding transparently linked to those outcomes
3. Increased funding for social infrastructure such as home care packages, community development and collective impact initiatives that target involvement of older Australians
4. The National Housing Finance and Investment Corporation to focus institutional investment in suitable well located housing (including public, community and subsidised private rental)
5. Research and investment into alternative and innovative housing models for older people²⁴
6. Commitment to funding a nationally consistent approach for home modifications where existing homes require structural and personalised adaptations to enable residents to age in place
7. Recognition by State and Commonwealth Governments of the important and increasing role of diverse retirement living offerings including ageing in place models and increased choice for consumers
8. The removal of barriers for older people moving into housing that better meets their needs, including reform of stamp duty, other taxes and age pension entitlement rules

²⁴ For example, shared housing ownership pilot for older women, <https://wpi.org.au/home-ones-own-shared-equity-older-single-women>

9. Nationally consistent regulation of retirement housing to provide strong protections for residents and their families
10. Strong and consistent tenant's right regulations across Australia, to include enhanced security of tenure, the right to make minor modifications, and ongoing maintenance and efficiency standards
11. Minimum access requirements in all new and extensively modified housing construction included in the National Construction Code by 2020. Continued funding for Liveable Housing Australia to promote universal design in all housing
12. Regulation or incentives to encourage the inclusion of disability and dementia friendly, age-adaptive features, modifications and assistive technology in private and not for profit development
13. The linking of investment in urban infrastructure and development (such as City Deals) to the UN's New Urban Agenda ²⁵

²⁵ United Nations, Habitat III (2016) *New Urban Agenda*. Retrieved from: <http://habitat3.org/the-new-urban-agenda/>

NACA

The National Aged Care Alliance is the representative body of peak national organisations in aged care including consumer groups, providers, unions and professionals.

