

Final Report

Rental housing provision for lower- income older Australians

authored by

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ACRONYMS

ABS	Australian Bureau of Statistics
ACHA	Assistance with Care and Housing for the Aged
ACT	Australian Capital Territory
AGPS	Australian Government Publishing Service
AHURI	Australian Housing and Urban Research Institute
AIHW	Australian Institute of Health and Welfare
APHA	<i>Aged Persons' Homes Act 1954 (Cth)</i>
ASX	Australian Stock Exchange
AURDR	Australian Urban and Regional Development Review
CACP	Community Aged Care Packages
COTA	Council on the Ageing
CRA	Commonwealth Rental Assistance
CSHA	Commonwealth-State Housing Agreement
CURF	Confidentialised Unit Record Files
DOHA	Department of Health and Ageing
EACH	Extended Aged Care at Home
FACS	Australian Government Department of Family and Community Services
FACSI	Australian Government Department of Family and Community Services and Indigenous Affairs
NHS	National Housing Strategy
HACC	Home and Community Care Program
ICHO	Indigenous Community Housing Organisation
ILU	Independent Living Unit
NSW	New South Wales
NT	Northern Territory
PRHP	Pensioner Rental Housing Program
Qld	Queensland
SA	South Australia
SAAP	Supported Accommodation Assistance Program
SHA	State Housing Authority
SOMIH	State owned and managed Indigenous housing
SWC	Social Welfare Commission
Tas	Tasmania
Vic	Victoria
WA	Western Australia
WHO	World Health Organisation

EXECUTIVE SUMMARY

A new policy approach is required to meet the anticipated increase in demand for affordable rental housing for lower-income older Australians during the next two decades. A projected increase of 115% from 2001-2026 in the number of lower-income people aged 65 and over living in rental households far exceeds the supply capacity of the social housing system. A new governance approach drawing together the resources of the public, community and market sectors is required to ensure satisfactory housing outcomes for older, low-income renters.

Key points

- 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 per cent from 195,000 in 2001 to 419,000 in 2026. The greatest projected change is in the 85 and over age range where the number of low-income renters is estimated to increase by 194 per cent from 17,300 to 51,000.
- This will create a strong and continuing demand for rental housing suited to older, lower-income, sole person households. These households are projected to grow in number from 110,800 to 243,600, an increase of 120 per cent from 2001 to 2026. Approximately two-thirds of these households will be sole women. There will also be growing demand for rental housing suited to older, lower-income couple households, which are projected to increase from 32,200 to 69,900, an increase of 117 per cent.
- Provision of suitable housing for this population group is required to enable them to 'age well'. The core housing attributes valued by older renters include autonomy, security, social connectivity, amenity, adaptability, and affordability. These values provide a generic set of criteria for assessing the suitability of housing arrangements and designs for older renters.
- There is great diversity of housing experience, need and preference amongst older renters. Housing provision must respond to a diversity of experience and preference amongst older renters. Four broad 'housing pathways' into older-age renting can be distinguished. Some older renters are long-term tenants; others are forced through adverse circumstances into rental housing; others choose to move into age-specific rental housing; and some are those marginally attached to housing. Housing provision must respond to this diversity of experience and preference.
- The social housing system is unlikely to be able to adequately respond alone to these demands from older renters due to the lack of growth in the sector and the competing claims of other population groups. Older people will continue to constitute a high proportion of tenants in the social housing system, but a steadily increasing proportion of low-income older households will be renting in the market sector.
- In this context, greater policy attention should be paid to the potential of the market sector in terms of both investment and direct provision. Planned market sector investment in and/or provision of affordable rental housing for older people may constitute an important, complementary source of supply to the social housing system.
- A new governance approach is required that draws together the resources of the public, community and market sectors. All sectors must be mobilised as part of an integrated system to meet the housing needs of older renters.

The policy problem

Anna Howe's keynote address at the AHURI and Myer Foundation conference on *Housing Futures in an Ageing Australia* in 2003, referred to the 'persistence of the great divide between owners and renters' and argued that, 'the main message for policy is that the highest priority should be accorded to securing housing for those who do not have secure tenure when they reach retirement age' (Howe 2003, p. 16). It has been widely recognised for many years that the minority of lower-income older people who rent are in far more difficult housing circumstances than owner-occupiers. Lower-income, older renters, particularly private renters, continue to be a relatively disadvantaged group in terms of housing affordability, security and quality. The evidence is that the ageing of the population will heighten the policy challenge of achieving positive housing outcomes for this group of older Australians. There will be many more older, lower-income renters, and their needs and preferences will be increasingly diverse. The policy problem is: how can an adequate supply of affordable rental housing appropriate to the diverse requirements of this population group be achieved during the next two decades?

The population group

Older renters are a relatively small minority of Australia's population aged 65 and over. Based on 2001 census data, it is estimated that older renters constitute 12.1 per cent of all Australians aged 65 and over living in private dwellings. Of all households headed by a person aged 65 and over, 13.9 per cent are rental households (Table 2). In addition, a small proportion of the 6.9 per cent of older people residing in non-private dwellings are renters in a variety of housing types and arrangements. Older home owners and purchasers outnumber older renters by a factor of more than 6:1. Tenure is a major social divide amongst older Australians, significantly shaping or demarking key aspect of inequality in older age including disposable income, social independence, security, and opportunities for social participation, as well as housing quality and affordability. If a key aim of public policy is to maximise the opportunities for all older Australians to 'age well', the provision of affordable rental housing of appropriate quality must become a key policy objective.

The types of rental housing

Older renters in Australia live in a wide variety of housing types that differ by tenure, physical form, age-specificity, and extent of provision of on-site services and communal amenities. This diversity, which is increasing, needs to be documented and understood. A comprehensive classification of rental housing types is presented in Table 1. A high proportion of older renters live in *private rental* and *public rental* housing, including houses, semi-detached dwellings, units, flats, townhouses, and bed-sitters. Smaller numbers live in various forms of age-specific accommodation including *rental retirement complexes*, *assisted-living rental villages*, and *small-scale communal housing*. These provide various forms of communal facilities and activities, and some assisted-living services. This is an area of growth, driven in particular by market sector provision of assisted-living rental villages, i.e. rental villages providing meals, laundry and other services as well as self-contained units. *Community and cooperative housing* is a small but growing part of the older person's rental sector which includes both independent and supported housing. *Residential parks* and *boarding and rooming houses* provide relatively low-cost housing options for people of all ages, including a high proportion of older people, many with a history of insecure housing. There are also many older renters in *supported residential services* which provide accommodation, support and care to people with complex needs. Finally, some older people are renters in *family housing*, although typically these are relatively informal arrangements that span the boundary between the formal 'rental' sector and the 'household' sector.

The framework of analysis

A framework of analysis to scope the issues associated with this policy question is shown in Figure 1. This framework suggests that this policy issue can be best understood in terms of two sets of demand factors and two sets of supply factors. Demand is being driven most importantly by *demographic change*. Increases in the number of older people in the Australian population, and their changing characteristics, will drive a strong and continuing demand for older persons' rental housing over the next two decades and beyond. The nature of this demand will be shaped by *consumer needs and preferences*. Many older people have similar core housing values. But there is also a great diversity of need and preference to be taken into account by the suppliers of older persons' rental housing.

Who will supply the rental housing to respond to these demand factors? In broad terms, the two main suppliers are the social sector and the market sector. The *social sector* comprises public housing provided by SHAs and funded through the CSHA, and community housing provided by both CSHA-funded organisations and community organisations outside of the CSHA system including the independent living units provided through the aged care sector. The *market sector* comprises landlords and companies providing affordable rental housing for older people, either generally in the private rental market or as age-specific housing for older people. It also includes current and potential private investors in this housing sector.

Demography and increasing demand

As already indicated, the demographic changes associated with the ageing of the population are the main drivers of policy change in the area of older persons' rental housing. Australia is on the threshold of a steady and sustained increase in the number of low-income, older renters. The number of people aged 65 and over living in low-income rental households is projected to increase by 115 per cent from 195,000 in 2001 to 419,000 in 2026. The greatest projected change is in the 85 and over age range where the number of low-income renters is estimated to increase by 194 per cent from 17,300 to 51,000.

This will create a strong and continuing demand for housing suited to older, low-income, sole person households. These households are projected to grow in number from 110,800 to 243,600, an increase of 120 per cent from 2001 to 2026. Approximately two-thirds of these households will be sole women. There will also be growing demand for housing suited to older, low-income couple households, which are projected to increase from 32,200 to 69,900, an increase of 117 per cent.

All population projections are subject to a level of uncertainty, and are subject to qualifications based on the quality of the data on which they are based, technical issues, and unforeseen events. However, the broad picture appears clear. Australia is facing an expanding demand for affordable, rental housing over the next two decades, which will stretch the capacity of public, community and market sector providers well beyond their current supply capabilities.

Consumer preferences and the diversity of demand

Alongside this increase in the level of demand for affordable rental housing, there will be significant developments in the nature and diversity of demand. Lower-income older people have limited capacity to obtain housing that reflects their needs and preferences. For this reason, public policies concerned with ensuring that lower-income older renters have access to housing that will enable them to 'age well' need to take account of the current and emerging needs and preferences of this consumer group.

The core housing attributes valued by older renters are autonomy, security, social connectivity, amenity, adaptability, and affordability. These values provide a generic set of criteria for assessing the suitability of housing arrangements and designs for older

renters, and should be applied when planning and assessing new rental housing developments in the public, community and market housing sectors.

Within the structure of these core values, there is great diversity of housing experience, need and preference amongst older renters. In part these reflect individual differences, but they also reflect differences between social groups including older Indigenous people, older people living in remote and rural areas, and older people from culturally and linguistically diverse backgrounds. It is also important to attend to the needs and preferences of older people with a range of health, social and disability issues that require integrated housing, support and care arrangements.

In this context, it is important to understand the 'housing pathways' into older-age renting. While further analysis is required, four general types of older age renters in Australia have been identified. Some older renters are long-term tenants; others are forced through adverse circumstances into rental housing; others choose to move into age-specific rental housing; and some are those marginally attached to housing. Housing provision must respond to this diversity of experience and preference.

The role of the social housing sector

The social housing system current provides over half of all rental housing for older people in Australia (Table 8). Households headed by a person aged 65 and over current constitute almost 30 per cent of all public housing tenancies, and there are small but significant numbers of older people living in community housing. Social housing will continue to be a major provider of affordable rental housing for older people for the foreseeable future, and efforts should continue to develop the volume, diversity and quality of housing provided through this sector.

Nevertheless, the social housing system alone is unlikely to be able to adequately respond to the anticipated increasing demand for older person's rental housing. The overall capacity of the public housing system has been falling during the last decade, measured in terms of the total number of public housing dwellings provided. Furthermore, under current policy settings, older people seem likely to struggle to maintain priority in a public housing system relative to other high need groups. The capacity of housing associations to increase supply to older people is limited, other than through attracting extensive private sector investment. Independent living units provided through the community aged care sector are not well integrated with other parts of the social housing sector. Older people will continue to constitute a significant proportion of tenants in the social housing system, but reliance on the social housing system alone may not result in an adequate level of supply. It is more likely that a steadily increasing proportion of low-income older households will be renting in the market sector.

The role of the market sector

In this context, policy attention should be paid to the potential of the market sector in terms of both investment and direct management and provision. Organised market sector investment in and management of affordable rental housing for older people constitutes a potentially complementary source of supply to the social housing system. Interest in market sector provision has greatly increased in recent years in both the public and market sectors. However, engagement between public sector authorities and market sector investors and providers is still limited in scale, and there remains no over-arching policy framework to bring the market sector into an integrated strategy to ensure adequate levels of low-cost rental housing supply.

In this context, the emergence of new private sector providers of affordable rental housing for older people is significant. New companies such as Village Life and SunnyCove have rapidly developed a stock of 'assisted-living, rental villages', and now have a network of older person's housing throughout the country. Village Life alone has developed 78 new affordable rental villages for older people across all States since

1999, comprising some 4,500 residential units. Village Life experienced severe financial difficulties in 2005 and 2006, and there has been a decline in interest by companies and investors in this market. Nevertheless, this has constituted a major area of growth of affordable older person's housing in Australia since 1999, and it has occurred independently of the public sector and wider public policy frameworks.

This growth of market sector provision raises three policy questions. Firstly, are the 'assisted-living rental villages' developed by these companies appropriate to the needs of lower-income older people? Secondly, what do the experiences of these companies tell us about the sustainability of private sector investment and management models for the provision of affordable rental housing for older people? Thirdly, what are the implications for the broader issue of ensuring an adequate future supply of affordable rental housing? Housing policy needs to be focused on the issues of market sector provision as well as the issues of provision through the public and community sectors.

The way forward?

The AHURI 2003 conference on *Housing Futures in an Ageing Australia* concluded that, 'the ability of older renters to access affordable and stable housing is set to be an even more pressing issue than it is now' (AHURI 2004, p. 2). This conclusion is endorsed. The evidence is that the supply of rental housing to meet emerging demand cannot be met by the social sector alone. A more appropriate strategy may be an integrated, multi-sector approach, directed by SHAs, but drawing fully on the resources of the public, community and market housing systems. There is evidence that there is considerable capacity for growth in the community and market sectors. However, there is a need for leadership to bring these sectors together to achieve socially-defined outcomes. This task can be summarised as one of developing a new approach to the governance of affordable rental housing for older Australians. In short, the mission is to build social and market sector capacity in tandem to meet the rental housing needs of lower-income older Australians during the first quarter of the twenty-first century.

A 10-point program

Based on the findings of this report, *ten inter-linked initiatives* can be identified that collectively might comprise a renewed program to achieve this mission.

1. Establish the objective of providing affordable housing for older Australians who have not yet achieved home ownership as a *policy focus* linked to the wider policy agendas emphasising the need to ensure that all older Australians are provided the opportunity to 'age well'.
2. Develop new *management processes* for older person's housing that emphasise the development of collaborative networks amongst public, community and private sector providers, including consumer representation.
3. Define the place of *public housing* in an overall strategy to provide a diversity of affordable housing options for older people, including anticipated overall levels of provision and the range of forms of housing to be provided, including the mix of age-specific and generic housing.
4. Develop the capacity of housing associations, local government and other organisations in the *community housing sector* to expand affordable rental housing stock for older people, particularly through the use of private sector investment.
5. Develop a new initiative to build the extensive stock of independent living units provided through church and community organisations in the community *aged care sector* into an affordable housing system linked to wider policies relating to the provision of housing and care for older people.
6. Identify the *market sector* as a key provider of affordable rental housing for older people, and consider the range of ways to build this sector into a major provider, to

ensure that its products are appropriate to the needs of older people, and to facilitate the long-term financial viability of the sector.

7. Explore the potential for various forms of private investment including *domestic and commercial investment* in older person's affordable housing, provided through community and market sector organisations, and involving a range of public-private sector partnerships.
8. Develop *regulatory processes* appropriate to the diversity of housing forms for older people that are now emerging to address housing quality, consumer protection and urban planning issues.
9. Explore and develop a range of ways to more effectively *link the affordable housing system for older people with the aged care system*, at both the strategic and operational levels.
10. Develop a program of *research to underpin these initiatives*, and to strengthen the networks between researchers and those responsible for the development of policies and programs for affordable rental housing for older people.

1 INTRODUCTION

1.1 Purpose and overview

During the next two decades, the Australian community faces a major challenge to ensure the provision of good quality, affordable rental housing for lower-income, older Australians. Lower-income, non-home owners are a minority group amongst older Australians, and there has been a tendency for them to be neglected in policy debate, relative to other groups of older people. The purpose of this research report is to scope current and emerging housing policy issues associated with this population group, and to identify policy and research questions to address their housing needs. In so doing, the project also seeks to contribute to the development of a national strategy for the housing of all older Australians.

This report has six chapters. The introductory chapter outlines the policy context of the study, the research focus, the analytical framework, and the research methods. This is followed by two chapters that examine the 'demand' factors impinging on rental housing provision for lower-income, older Australians. Chapter two examines the growing demand for this form of housing arising from the ageing of the population. This is complemented in chapter three by an examination of consumer needs and preferences of various groups of older people relating to different forms of rental housing for older people. These two chapters combined provide a basis for understanding the extent and nature of current and emerging demand for rental housing provision for this population group. Chapters four and five focus on 'supply' factors in the social and market sectors. These two chapters examine current and likely capacity to meet anticipated demand for rental housing for older people over the next two decades. The final chapter integrates the report's findings, examines implications for policy and research, and proposes a new approach to the governance of affordable rental housing for older Australians.

1.2 Policy context

Policies concerned with the provision of affordable housing for older renters fall within the broader policy field of housing policies for older Australians, which in turn are part of the set of policies that has emerged in response to the ageing of the Australian population. In a study aiming to scope policy issues, it is necessary to begin by sketching this wider policy context.

1.2.1 *Policies for an ageing Australia*

The ageing of the Australian population emerged as a political issue during the 1980s and 1990s and now, in the early twenty-first century, is firmly established on the national political agenda. There have been previous occasions when population ageing has been a public issue, most notably in the early twentieth century and in the immediate post-war period (Borowski, Encel & Ozanne 1997, pp. 1-2; Dixon 1977). However, the current political and public focus on ageing is more entrenched and longer lasting than in any earlier period. One explanation of the issue's current persistence is that it has emerged principally as a 'dominant rather than oppositional discourse' (Gibson 1998, p. 5). Ageing as a policy issue has primarily developed as a concern of policy makers anxious about the perceived challenges and difficulties of governance of an ageing society, rather than as a response to the political demands of older people as such. The ageing issue has been primarily defined in terms of societal capacity to manage the economic costs of a population comprising a steadily increasing proportion of older people (Clare and Tulpule 1994). As the number and proportion of older people grows, it is likely that their political impact will become commensurately significant, adding to the complexity of the governance challenge.

The emergence of ageing as a political issue can be traced through a series of national reports and policy statements since the early 1980s addressing a wide range of issues including health care, aged care, income support and superannuation, and the social and economic participation of older people (Borowski, Encel and Ozanne 1997a). Central themes have been the prediction of a marked rise in the absolute number and proportion of older people, the anticipated strong growth in the number of 'old-old' persons, and significant rises in the 'dependency ratio'. Recurring emphases include the difficulty of containing public expenditure in an ageing society, especially in health care; the need for greater self-reliance in areas such as retirement incomes and aged care; the importance of more flexible arrangements for post-retirement employment; and the desirability of encouraging older people to 'age in place' to reduce pressures on expensive age care facilities (Clare and Tulpule 1994). The dominance of these issues has been challenged by those critical of an emphasis on population ageing as an economic 'burden' (Borowski, Encel and Ozanne 1997). There has been increasing policy interest in 'positive ageing', 'healthy ageing' and 'ageing well', and recognition of the contributions that older people make to society.

These recurring themes have been reiterated in recent expressions of national government policy, including the *National Strategy for an Ageing Australia* (Andrews 2002) the *Intergenerational Report* (Australia 2002), and the Productivity Commission's report on the *Economic Implications of an Ageing Australia* (2005). These reports have particularly emphasised the need for major fiscal adjustments to ensure the sustainability of government policies. These reports, and similar policy statements at the State and Territory level, clearly signal that population ageing will continue to have a prominent position on the nation's political agenda for many years to come.

1.2.2 Housing policies for an ageing Australia

While the housing of older Australians has received a modicum of attention during the past two decades, as an 'ageing' policy area it has received far less prominence than others such as health care, aged care and retirement incomes. Australian Government attention to the issue can be traced back to the post-war origins of the Commonwealth-State Housing Agreement (CSHA) and the *Aged Persons' Homes Act 1954*. But attempts to address housing issues of older people in a comprehensive manner are of more recent origin. The first systematic overview of housing issues for older Australians was undertaken in the context of the National Housing Strategy (NHS) in 1992 (Howe 1992), followed shortly by the *New Homes for Old* report of the Australian Urban and Regional Development Review (AURDR1994). However, neither report led to the adoption of a systematic national approach to the housing of older Australians. A detailed review of Australian housing policies for older people in the late 1990s asserted that, 'Government policy has major impacts on the housing provision of older people, but there is no comprehensive housing policy expressly designed for them' (Kendig and Gardner 1997). At the *Housing Futures in an Ageing Australia* conference sponsored by AHURI and the Myer Foundation in November 2003, Howe similarly concluded that, 'policy for housing in an ageing Australia may be emerging as a subject of interest to the whole of government, but it has yet to be addressed in an integrated manner across different areas of government' (Howe 2003, p. 3).

There are several possible explanations for the relative lack of policy attention to 'the macro-level policy issues of housing an ageing Australia' (Howe 2003, p. 3). A large majority of older Australians are home owners, enjoying generally good quality housing and paying only a small proportion of their retirement income on housing costs. Housing is thus viewed as less problematic for older people than issues such as access to health and aged care facilities, and the adequacy of retirement incomes. Housing is less likely to be the focus of political demands than other areas of social provision. Furthermore, housing older people does not involve anticipated large fiscal commitments compared with other policy areas. Responsibility for housing of older people is fragmented and policies of all levels of government and many agencies

impact, directly and indirectly, on housing outcomes. This means that an integrated policy approach is hindered by institutional barriers. Housing provision for older people is a predominantly private sector activity, and there is a long history of public policy playing a residual, secondary role.

Nevertheless, there is evidence that housing is beginning to receive greater recognition as an important dimension of ageing policy. The *National Strategy for an Ageing Australia* addressed the issue of the changing housing needs of older Australians in the context of consideration of the lifestyles of older people (Andrews 2002, pp. 26-27). It asserted that access by all older Australians to safe, secure, affordable, accessible and suitable housing will be a priority as the population ages. The Productivity Commission's recent report on the *Economic Implications of an Ageing Australia* considered the public expenditure implications of housing assistance trends. It argued that population ageing will create pressure for greater housing assistance to lower-income, older people who do not own their homes (Australia Productivity Commission 2005, pp. 223-231).

This increasing recognition of housing is significant, but more detailed research and policy development is required to underpin a comprehensive housing strategy in an ageing Australia. A comprehensive housing policy for older Australians would be based on a detailed understanding of the current housing circumstances of older Australians, and of current policy settings. It would document the housing impacts of structural ageing; the changing housing preferences, choices and decisions of older Australians; and trends in housing supply for older Australians. It would identify and address a range of key policy questions and issues relating to housing supply, housing assistance and affordability, the integration of housing with other key policy areas such as aged care, urban planning and income security, and the needs of particular groups of older people including older Indigenous Australians and homeless older Australians. This research report contributes to the development of such a comprehensive strategy by examining one priority policy issue: the provision of affordable rental housing for lower-income older Australians.

1.3 Research focus

A corollary of the limited policy attention paid to the general issues of housing older Australians is the relative neglect of certain, specific issues in older persons' housing. One such issue is the provision of affordable rental housing for lower-income older Australians. In this section, the rationale for focusing research and policy attention on this issue is outlined, together with a description of the target population group and a classification of the types of affordable rental housing for older people encompassed by this study.

1.3.1 The rationale

Since the 1970s it has been widely recognised that lower-income older people who rent are in far more difficult housing circumstances than owners and purchasers (Kendig 1981). The pressing needs of this group were documented in the Henderson Poverty Inquiry that reported in 1974-75 (Australia Commission of Inquiry into Poverty 1975), and were highlighted in the Social Welfare Commission's report on *Care of the Aged* in 1975 (Australia SWC 1975, pp. 77-84). The first comprehensive survey in Australia of older persons' housing circumstances, the *Aged Persons' Housing Survey* (Australia, Department of Environment, Housing and Community Development 1976), found that average housing costs and poverty 'after housing costs' were much higher amongst older renters, particularly those in the private rental sector. It also found that private tenants made up a large share of older people residing in unsatisfactory housing, and of those dissatisfied with their housing quality (Kendig 1981, pp. 91-92 and 96-97). Kendig concluded his 1981 summary of housing and living arrangements of older Australians by asserting that 'the highest priority for government must be to provide

more assistance to the worst-off group, the private renters in poverty' (Kendig 1981, p. 99).

The case for prioritising older renters, particularly private renters, was reiterated in the report on housing older Australians prepared for the National Housing Strategy (Howe 1992). This report acknowledged the expansion of public housing for older people that took place during the 1980s. Nevertheless, it identified tenure as the prime indicator of differences in the housing status of older people, in terms of both cost and quality of housing, and stated that 'all analyses have continued to identify older renters in the private sector as a priority needs group' (Howe 1992, p. 30). In particular, rental tenure was identified as the main determinant of housing affordability problems for older Australians. Using data from the 1988 ABS Housing Survey, the report found that 68 per cent of private tenants aged 65 and over experienced 'housing stress' (income in the lowest two quintiles of the income distribution and spending more than 25 per cent of income on housing) compared with 14 per cent of public tenants, 13 per cent of purchasers and 1 per cent of home owners (Howe 1992, p. 40).

More than a decade later, housing affordability and support for those who enter old age as renters was again identified as the highest policy priority in the context of a major overview of housing policies for older people (AHURI 2004, p. 7). The keynote address at the AHURI and Myer Foundation conference on *Housing Futures in an Ageing Australia* in November 2003, drew attention to the 'persistence of the great divide between owners and renters', and argued that, 'the main message for policy is that the highest priority should be accorded to securing housing for those who do not have secure tenure when they reach retirement age' (Howe 2003, p. 16). The conference report drew attention to the increasing numbers of people entering old age as renters, and the likelihood that, 'the ability of older renters to access affordable and stable housing is set to be an even more pressing issue than it is now' (AHURI 2004, p. 2).

In summary, despite some three decades of recognition of the issue, the provision of affordable rental housing for lower-income older Australians remains a significant policy challenge. Lower-income, older renters, particularly those renting in the private sector, continue to be a relatively disadvantaged group in terms of housing affordability, security and quality. As the population ages, the absolute number of this group of older renters is predicted to gradually increase. There is a continuing case to focus policy attention on this 'small, politically powerless and intensely needy group' (Kendig 1990, p. 96) as part of the wider issue of housing older Australians in the context of population ageing.

1.3.2 *The population group*

Within the Australian policy and research community, there is no universally accepted chronological age that delineates the 'older' population. It is well established that chronological age is an imprecise marker for the changes in health status, economic and social participation and independence that accompany ageing (World Health Organisation 2002). Furthermore, in policy contexts, different definitions of 'older people' are appropriate to different circumstances, settings, times and issues. Conventionally, the 'retirement age' of 65 has been widely used to delineate older Australians (ABS 1999; AIHW 2000), although this usage has been challenged (McCallum 2000; WHO 2002). The current study follows the prevailing convention by focusing on persons aged 65 and over. However, in recognition of the heterogeneous nature of the older population, attention is paid to the differing housing needs and circumstances of those aged 65-74, 75-84 and 85 years and over, and to those entering these age groups during the next two decades. With respect to Indigenous older people, the Australian Government has recognised the differences in health status and life expectancy of Indigenous people and has used the age of 50 and over as a basis for planning services for older Indigenous people (*Aged Care Act 1997*). This convention is followed in this study.

This study is focused on 'lower-income', older Australians. Most commonly, lower-income households are defined as those falling within the lowest quartile (Harding, King and Kelly 2002) or lowest two quintiles (Australia National Housing Strategy 1991) of the population. There are definitional and measurement difficulties in specifying these groups for the older population including the issues of equivalence between different household types, the use of gross or net income, the treatment of rent assistance as income or as a deduction from housing costs, and the issue of whether the most appropriate population for purposes of comparison of household income is the overall population or the population of older households. Many older households in Australia are solely or mainly dependent on government benefits, particularly the age pension, and this study is particularly interested in older households for whom this is their primary source of income. The demographic analysis reported in chapter two provides data on the incomes of older households who are renters, and particularly lower-income older households, taking into account these factors.

The particular concern of the study is those older Australians who experience 'housing affordability' problems. The issues in defining and measuring housing affordability and the related concept of 'housing stress' have been extensively discussed (Australia National Housing Strategy 1991; Wulff and Yates 2001). Housing stress is commonly defined as households paying more than 25 per cent or 30 per cent of their income on housing who are in the lowest 40 per cent per cent of the income distribution range (Australia National Housing Strategy 1991). While often difficult to capture in existing statistical collections, it is this group of lower-income, non-home owning, older people who are susceptible to housing stress who are the primary focus of this study.

Finally, this study is concerned with older persons who are 'renters', whether in the public, private, community or household sectors. Rental housing can be broadly defined as a dwelling in which the occupier/tenant makes a monetary payment (or equivalent consideration) to the owner/landlord in exchange for occupation and use of the dwelling. In the context of older people's housing, this includes a broad and increasingly diverse range of housing types and tenures, including a variety of physical housing forms that encompass different forms of provision of assisted-living and communal amenities. Important policy issues attach to the mix of rental housing types that should be developed and encouraged, and the associated funding, support and regulatory arrangements. For this reason, the types and dimensions of affordable rental housing for older people, and the issues involved in enumerating them, are elaborated in section 1.3.3 and chapter two.

Given these parameters, what are the dimensions of this population group? The current and anticipated number and characteristics of this population group are examined in chapter two. However, by way of general orientation, previous estimates of the number of this population group are presented here based on three sources: a recent analysis of Census data from 1986-2001 (Howe 2003); the Australian Institute of Health and Welfare's review of *Older Australia at a Glance* (AIHW 2002); and the Australian Bureau of Statistic's detailed statistical analysis of older Australians entitled *Older People, Australia: a Social Report* (ABS 1999).

As has already been indicated, renters are a relatively small minority of older Australians. A recent analysis of Census data from 1986 to 2001 shows that the proportion of people aged 65+ classified as renters in private dwellings has remained fairly constant within the range 11.5 per cent -12.5 per cent for the past 15 years (Howe 2003, pp. 6-8). The proportion of public sector renters within this group dropped from a high point of 46.1 per cent in 1991 to 38.2 per cent in 2001, and there was a commensurate increase in the proportion of private sector renters.

A similar picture is apparent from the Australian Institute of Health and Welfare's analysis of the 1999 Australian Housing Survey (AIHW 2002). This analysis found that 13.3 per cent of households where the reference person was aged 65+ were rental

households, comprising 6.6 per cent private rental and 5.7 per cent public rental. This analysis found major differences in housing affordability between older home owners/purchasers, public renters and private renters. Approximately 93 per cent of older home owners/purchasers paid less than 25 per cent of their income on housing costs, compared with 79 per cent of public renter households and only 19 per cent of private renter households. Over 71 per cent of private rental households paid more than 30 per cent of their income on housing costs, with almost one-quarter paying more than 50 per cent (AIHW 2002, pp. 22-23).

A more detailed picture of older private renters based on 1996 Census data is presented in the ABS's statistical survey entitled *Older People, Australia: a Social Report* (ABS 1999, pp. 88-93). This report found that 12.3 per cent of persons aged 65 and over living in private dwellings (other than 'self-care accommodation') were renters, a total of approximately 222,310 persons. However, this report also identified two other groups of older renters in the Census data. Firstly, there were those who were renting in 'self-care accommodation' in retirement villages. This group comprised 24.7 per cent (approximately 13,338 persons) of retirement village residents (ABS 1999, p. 92). Secondly, there were those living in dwellings enumerated as non-private dwellings (ABS 1999, pp. 93 and 104). This included persons aged 65 and over living in boarding houses and private hotels (2,999 persons), and hostels for the homeless (510 persons). The report also identified 62,197 persons living in aged care accommodation for the retired and aged (excluding nursing homes). Most of this group were residents of 'aged care hostels', as they were then known, and as such fall outside of our definition of rental accommodation. However, a minority of them would have been residents of forms of congregate housing for older people that are not part of the aged care system.

This ABS study also presented data from the 1997-98 ABS Survey of Income and Housing Costs on housing affordability for older Australians. Overall, older households paid only 6 per cent of their income on housing, but this varied greatly depending on tenure and living arrangements. Older people renting privately paid on average 31 per cent of their income on housing costs, while those living alone and renting privately paid on average 49 per cent (ABS 1999, pp. 90-91). This confirms other data showing housing affordability to be a major and continuing problem amongst older private sector renters.

In summary, previous studies suggest that renters are a small minority of older Australians comprising approximately 13 per cent of all older Australians. Most reside in private dwellings, with approximately 60 per cent in the private rental sector and 40 per cent in public rental. There are also significant numbers of renters in self-care accommodation in retirement villages and in non-private dwellings (other than residential age care facilities) such as boarding houses, private hotels, and housing outside of the aged care system that provide various forms of assisted-living services and communal amenities. Affordability is a major issue for many older renters, with many households especially in the private rental sector experiencing severe housing stress. More detailed and updated analysis of the characteristics of this population group is presented in chapter two.

1.3.3 The types of rental housing for older people

As indicated above, this study adopts a broad definition of rental housing encompassing a diverse range of housing types and tenures, and including rental in the public, private, community and household sectors. Table 1 provides a classification of the main types of rental housing for older people that can be identified in the Australian context. The table identifies five variables that distinguish types of rental accommodation for older people: sector, physical form, age-specificity, provision of services, and communal amenities.

In the Australian context, ten clusters of rental housing types that vary on these characteristics can be distinguished: public rental housing; private rental housing; rental retirement complexes; assisted-living rental villages; small-scale communal housing; community and cooperative housing; residential parks; boarding and rooming houses; supported residential services; and family housing. The table excludes all forms of non-rental housing including owner and purchaser-occupied housing, and aged care facilities. Also excluded are all forms of emergency and short-term housing such as services provided through the SAAP program. This classification provides a framework for specifying the current rental housing arrangements of older Australians, and for considering future policy options. Each rental housing type distinguished in Table 1 is briefly summarised in Appendix 1.

Table 1 indicates that older Australians who rent live in a wide range of housing types and circumstances. Policies designed to ensure the provision of good quality, affordable rental housing for lower-income, older Australians must take account of this diversity. There is a need to consider what mix and repertoire of these housing types support and encourage so as to address in the most effective way possible, the housing circumstances, needs and preferences of older renters. It seems clear that provision of rental housing for this population group will involve a mixed economy of public, community, market and household sector provision, a diversity of physical forms of housing, and a diversity of arrangements for assisted-living services and communal amenities.

Table 1: Rental housing for older people in Australia: types and dimensions

Rental housing type	Examples	Sector	Physical form(s)	Age specific	Assisted-living services	Communal amenities	Rent assistance	ABS category
Public rental housing	Houses, units, cottages, flats, bed-sits, high-rise	Public Community	Separate houses, bed-sits, flats, units, etc.	Both	Generally nil or limited	Generally nil or limited	No	Private dwelling (public rental)
Private rental housing	Houses, units, flats, townhouses, serviced apartments	Private	Separate houses, semi-detached, flats, units, etc	No	No other than serviced apartments	Generally nil	Yes	Private dwelling (private rental)
Rental retirement complexes	Mixed tenure & rental only retirement villages & complexes; includes independent living units	Community Private	Usually semi-detached units, cottages or apartments in village or apartment complex	Yes	Usually limited	Varies; some have recreational facilities and activities, maintenance and on-site management	Yes	Private dwelling (accommodation for the aged (self-care))
Assisted-living rental villages	Private sector villages, e.g. Village Life, Sunnycove, Oxford Crest	Private	Self-contained rooms within village complex, with shared dining	Yes	Meals, laundry services, cleaning	Common lounge/dining, maintenance, laundry, on-site management, some recreational facilities	Yes	Either private dwelling (aged (self-care)) or non-private dwelling (aged (cared))
Small-scale communal housing	Abbeyfield Housing	Community	Group housing; bed-sits with shared dining and living areas	Yes	Meals, laundry, cleaning, supervision	Common lounge, dining, kitchen, guest room, laundry, maintenance	Yes	Non-Private dwelling (accommodation for the retired or aged (cared))
Community & cooperative housing	Community housing, Cooperatives, Aboriginal housing, Wintringham	Community Local government	Varies; usually self-contained dwellings	Both	Varies	Varies	No	Private dwelling (other rental) or Non-Private dwelling (aged (cared))
Residential parks	Caravan parks, mobile houses, manufactured homes	Private Public	Caravans, cabins, mobile homes in residential parks, some shared facilities	No	No	On-site management, some recreational facilities, laundry	Yes	Private dwelling (caravan park)
Boarding and rooming houses	Boarding houses, rooming houses, private hotels	Private Community	Individual or shared bedrooms with shared bathroom, kitchen and laundry facilities	No	Varies. Some provide meals, cleaning, laundry, & supervision	Varies. Typically, common bathroom, kitchen and laundry facilities	Yes	Non-private dwelling (Boarding house, private hotel)
Supported residential services	Supported residential services and facilities	Private	Furnished single or shared rooms in purpose-built facilities	No	Personal care and supervision, meals	Common lounge/dining, some recreational facilities and activities	Yes	Non-Private dwelling (accommodation for the retired or aged (cared))
Family housing	Granny flats, living with family or private board	Household	Fully or partially self-contained flat or room	No	Varies	The family home	Yes	Private dwelling

1.4 Analytical framework

1.4.1 Research questions

The goal of this study is to scope the issues facing State and Territory housing authorities (SHAs¹) in Australia concerning the provision of rental housing for lower-income older people through the public, private and community sectors, as a foundation for policy development and further research. The project is a 'scoping study' designed to assist policy practitioners to identify and address key policy issues and concerns, and researchers to develop a program of research that will effectively inform policy development. In this context, a scoping study can be defined as a research project that aims to provide policy guidance relating to a specific policy issue or question by reviewing and consolidating relevant, existing knowledge and research; conducting wide-angle investigations designed to elucidate key dimensions of the policy issue; and presenting this knowledge and understanding in a manner that is pertinent to policy processes.

This scoping study is guided by four specific research questions:

- What are the demographic factors underlying current and emerging demand for rental housing for lower-income, older Australians?
- What are the expressed and emerging housing needs, preferences and choices of lower-income, older renters?
- What is the current and potential capacity of the social housing sector to provide an adequate and appropriate supply of affordable rental housing for older Australians?
- What is the current and potential capacity of the market housing sector to provide an adequate and appropriate supply of affordable rental housing for older Australians?

After addressing these questions, the study will examine the implications of the study findings for ongoing policy development, and for the development of a research agenda to underpin policy development.

1.4.2 Framework of analysis

The relationship of the four research questions identified above to the policy issue explored in the study is portrayed in Figure 1. In broad terms, policies relating to the provision of affordable rental housing for older Australians are shaped by two sets of demand factors and two sets of supply factors. The first set of demand factors is *demographic change*. Increases in the number of older people in the Australian population, and their changing characteristics, will have an impact on housing demand and, more specifically, rental housing demand. Public policies need to consider the magnitude and type of demand likely to be experienced during the next two decades. The second set of demand factors is *consumer needs and preferences*. Public policies need to be informed by data on older persons' current and emerging housing needs and preferences, including the preferences of particular groups of older people and preferences for varying housing types and arrangements.

There are two main sources of supply of rental housing for older people: the social sector and the market sector. The household sector (older people living with family) is a further sector that is identified but not analysed in any detail in this study. The *social*

¹ The acronym 'SHAs' is used in this report to refer to the eight State and Territory housing authorities in Australia.

sector comprises public housing provided by SHAs and funded through the CSHA, and community housing including housing provided by both CSHA and non-CSHA-funded organisations. The *market sector* comprises affordable rental housing for older people provided by the private sector, either generally in the private rental market or as age-specific housing for older people. It also includes private investors in affordable rental housing for older people. The role of public agencies in developing, facilitating and regulating this source of supply is a key issue.

This framework provides an integrated analytical approach to public policy development relating to affordable rental housing provision for older Australians. The framework identifies the main policy drivers on both the demand and supply sides, including the ageing of the older population, changing consumer needs and preferences, the factors shaping current and anticipated levels and forms of provision in the social sector, and developments in the market sector in affordable rental housing for older people. It also frames the central policy issue addressed in this report, i.e. what policy settings will promote the mix of social and market sector provision required to meet emerging demands for affordable rental housing stemming from the ageing of the population and emerging consumer needs and preferences?

Figure 1: Framework of analysis



1.5 Research methods

The research approach adopted in this study comprised two phases. The first phase comprised four scoping sub-studies each focused on one of the demand or supply side factors in Figure 1. Each sub-study study involved an analysis of existing literature and research, combined with primary data collection designed to scope current and emerging issues. The findings of each of these sub-studies are presented in chapters two to five. Each member of the research team took primary responsibility for one of the sub-studies: Martin Bell for chapter two ‘Demand factors: demography’; Cheryl Tilse for chapter three ‘Demand factors: consumer needs and preferences’; Andrew Jones for chapter four ‘Supply factors: the public sector’; and Andrew Jones and George Earl for chapter five ‘Supply factors; the market sector’. The second phase was to draw together the findings of each of the sub-studies into an integrated analysis of the policy challenges and choices relating to this policy issue. The findings of this integrated analysis are reported in chapter six. As a consequence of this structure, the report can be read at two levels. Readers interested in the details of findings in each sub-study can focus on the relevant chapter which provides a ‘stand-alone’ analysis. Readers wishing to gain an integrated understanding of the

challenges of this policy field can focus on chapter six which provides an integrated overview of the issues. A summary of the methodology underpinning each chapter is provided below.

1.5.1 The demographic sub-study

The demographic study utilises a range of demographic techniques to analyse four questions:

1. What factors are associated with the impact of growth of the older population on rental housing demand in Australia?
2. What is the numerical size of the population of older renters in Australia?
3. What are the socio-demographic characteristics of the population of older renters in Australia?
4. What is the projected numerical size of the population of older renters in Australia over the next two decades?

Data are drawn from a number of ABS statistic reports on population ageing and housing tenure. In particular, data are drawn from the 2001 Population Census, chiefly via the Confidentialised Unit Record Files (**CURF**), a 1 per cent representative sample of the population. The main 2001 CURF variables utilised for analysis were age, sex, tenure and income. The analysis of renter characteristics also drew on data from the 1999 Australian Housing Survey. Projections of the numbers of people and households of low-income elderly renters were developed based on ABS population projections. Further details of the demographic techniques utilised are provided in chapter two.

1.5.2 The consumer needs and preferences sub-study

The first stage of the consumer preferences study comprised a literature review of British, North American and Australian consumer studies of older people in a variety of housing, particularly rental housing, situations. This provided the conceptual context for the second stage which comprised a series of focus groups and interviews with 130 older people in a variety of rental situations in Australia. This qualitative study sought to extend current understanding of the expressed housing needs, preferences and choices of low-income older Australians living in a range of rental housing types and tenures.

The qualitative study focused on groups of older people from demographic groups, housing types and tenures under-represented in previous research. These groups included: older people in age-specific or emerging housing types that include some level of assisted-living as part of housing; older people in rental retirement complexes; older people in the private rental market; older people who are public housing tenants; Indigenous older people; older people in rural areas; and older people who are at risk of homelessness or have a history of more marginal attachment to housing. The purposive sampling strategy included consumers in these particular rental housing types, tenures or population groups. Thirteen focus groups and thirty-two individual interviews included participants across two States and in inner-city, outer suburban, regional and outer regional locations. Questions were based on the attributes of housing valued by older people, and the key issues and concerns identified in the first stage. Further details of the methodology, including recruitment strategies, the characteristics of the sample, focus group processes and interview guides, are provided in chapter three and appendix two.

1.5.3 The social sector sub-study

This study aimed to scope past, current and likely future policies concerning the provision of rental housing for lower-income older people through the public housing and community housing sectors. A comprehensive review was undertaken of public documents, statistical materials and secondary sources pertaining to housing policy and provision for this population group, and related topics. This was supplemented by a series of interviews with 65 key informants including public sector officials and representatives of housing and consumer organisations in the Australian Government and in all States and Territories. A list of those interviewed is provided in appendix 3. The interviews were designed to obtain information concerning past, current and likely future policy directions; the extent of current provision of housing for older people in public and community housing; access and priority policies for older people; the nature of the current and planned housing stock for older people; and tenancy management issues, including the linking of housing, care and support services. The study aimed to 'scope' these issues nation-wide, drawing on materials and examples from all of the States and Territories.

1.5.4 The market sector sub-study

This study aimed to scope the current and likely future capacity of the market sector to meet the demand for affordable rental housing for older people. It includes a brief review of the literature on the role of the market sector in the provision of affordable housing in Australia. It reviews the range of ways that SHAs have attempted to engage the private sector in the provision of affordable housing, especially with respect to affordable housing for older people. It examines through documentary evidence and key informant interviews the rapid growth of market sector involvement in the provision of affordable rental housing for older Australians that has occurred during the past six years, particularly the growth of 'assisted-living rental villages'. In addition, a total of 31 exploratory, semi-structured interviews in Brisbane, Sydney, Melbourne and Adelaide were conducted with key players in the funding, development, taxation and legal structuring of rental housing developments for older people. The focus of these interviews was such issues as the types of affordable rental housing for older people that might be attractive products for private sector investment, feasible investment parameters for financial institutions, investment and financing approaches and barriers, and the impacts of public sector policies and practices. A list of those interviewed is provided in appendix 4.

1.6 Summary

This study contributes to the development of an evidence base to assist SHAs to meet the policy challenge of ensuring the provision of appropriate, affordable rental housing for lower-income older Australians during the next two decades. Approximately 13 per cent of Australians aged 65 and over live in some form of rental housing, and most are lower-income individuals and households. Many, particularly those renting in the private sector, experience major problems of housing affordability, and some are living in relatively poor quality housing. For many years it has been widely recognised that lower-income older people who rent are in far more difficult housing circumstances than owners and purchasers. There have been significant policy initiatives aimed at this population group during the past sixty years. However, in the context of the ageing of the Australian population, there is a need to understand, and perhaps re-frame, the policy challenges, choices and opportunities that lie ahead.

This study scopes the policy terrain by identifying the key demand and supply factors impacting on this area of housing provision. This includes demographic change, current and emerging consumer needs and preferences, and supply issues and

trends in the social and market sectors. After providing an overview of key developments in each of these areas, the study identifies key policy issues and choices, suggests a program of ongoing research to underpin policy, and proposes new approaches to the governance of affordable rental housing for older Australians.

2 DEMAND FACTORS: DEMOGRAPHY

2.1 Introduction

Demography is a key factor underpinning the demand for housing at older ages and a clear understanding of current and future population dynamics is an essential element in the demand side of the rental housing picture. This chapter begins with an overview of the growth of Australia's older population and its relation to housing demand. The discussion examines factors shaping housing demand among older Australians including household composition, resources and cohort effects. This is followed by a demographic analysis of older renters, drawing on historical and contemporary data from a range of sources. The chapter concludes with projections of the likely future growth and size of the group of older renters in Australia's population.

An understanding of the data is essential to any demographic analysis and for the purposes of this chapter we draw primarily on data from the Australian Bureau of Statistics (ABS). ABS publishes a range of statistical reports on population ageing (e.g. ABS 2003) as well as on tenure (ABS 2002; 2003a), which contain a range of findings relevant to this study. ABS population projections are also incorporated into the analysis and these documents are supplemented by analysis of data from the Population Census, chiefly via the Confidentialised Unit Record Files (CURF), a 1 per cent (188,013 persons in 2001) representative sample of the population. The 2001 CURF contains data for 39 questions but the key variables of importance for analysis here were age, sex, tenure and income. For the analysis of renter characteristics, we also draw on data from the 1999 Australian Housing Survey.

2.2 Growth of the older population and housing demand in Australia

Ageing of the population is among the pre-eminent social issues of the early 21st century and is set to gather increasing importance as growth in the older population, long anticipated in the statistics, comes to fruition. The scale of the anticipated increase is well documented in the literature, with ABS population projections anticipating that the numbers of people aged 65 and over will almost triple to reach 7.2 million over the interval 2002-2051, and increase from 12.6 per cent to 27.1 per cent as a share of national population (ABS 2003b, Series B). Growth among the old-old (those aged 85 and over) is projected to be even more pronounced, with numbers rising nearly sixfold over the next 50 years, to exceed 1.5 million.

While these summary indicators potently capture the scale of the forthcoming change, the impacts on housing are by no means as straightforward as the aggregate population figures suggest. Housing demand is influenced not only by population size, but also by an array of other demographic, social and economic variables, including patterns of family formation and dissolution, living arrangements, economic resources and personal characteristics. These last two sets of variables take on added significance in terms of tenure and tenure choice, since it is financial circumstances and personal independence that principally differentiate renters from owner-occupiers on the one hand, and residents of age care facilities on the other. Moreover, for older people, housing outcomes are fundamentally mediated by cohort effects: the cumulative lifetime experience that moulds family structures, economic resources and personal characteristics. As these vary between birth cohorts, so is it likely that housing needs, capacities and preferences will also differ between groups.

It follows that a clear understanding of the current and future housing circumstances of Australia's older population depends fundamentally on a clear appreciation of the relative strength of these forces, and the way they interact. The future demand for rental housing for low-income older Australians, in turn, needs to be assessed within this wider framework of evolving housing demand. In practice, however, such analysis confronts considerable uncertainty in regard to many of the key processes and interactions that will influence future trends. Moreover, as will be argued below, even the basic data on contemporary housing circumstances are seriously deficient in a number of respects. The following sections first examine the various sources of uncertainty with regard to the demographic determinants of housing demand, including demand for rental housing.

2.2.1 Population growth

As in many industrialised countries, the population of Australia is ageing. The main factors driving the change in age structure have been well documented: declining fertility, increased longevity and population momentum (see McDonald and Kippen 1999; ABS 2003). The combination of declining fertility and mortality has served to increase the proportion of older Australians, a phenomenon known as structural ageing. Ageing of the baby boomer cohort has contributed to this process causing, with the help of increased longevity, the Australian population to age numerically – an increase in the absolute numbers of older people. While commentators now routinely cite official projections as showing how the number of older people will increase in the future, in reality there is considerable uncertainty as to the future magnitude of Australia's older population.

One fact all forecasters endeavour to make clear is that projections are fundamentally contingent upon the assumptions on which they are based. While this is readily appreciated in regard to fertility and migration, it is much less widely acknowledged in terms of mortality. Yet if there is one lesson to be learned from the history of demographic projections worldwide, it is that assumptions regarding mortality have proven no more reliable than the other components of population change. In hindsight, the most distinctive feature of the projections prepared as part of the National Population Inquiry (1975) was their failure to anticipate the massive extension of life which ensued over the following three decades. While later projection series have corrected this anomaly, still little attention is given to the uncertainties that attend the future path of mortality. In practice, these assumptions are profoundly important in regard to the likely future numbers of older Australians.

The 2002 series ABS projections assume that male life expectancy will increase from 77.0 years in 2000 to 84.1 years in 2051, a rise of 7.1 years, and for females from 82.4 years to 87.6, a rise of 5.2 years (ABS 2003b). A second set of more optimistic assumptions was also prepared under which life expectancy climbed to 92.3 and 95.2 years for men and women respectively (ABS 2003b, p. 11). ABS did not publish the results of this second set in detail (see ABS 2003b p. 69) but comparable projections prepared at the University of Queensland show that the lower mortality assumption lifts the numbers aged 65 and over in 2051 by a further 24 per cent and the numbers aged 85 and over by a massive 64 per cent.

These uncertainties with respect to future trends in mortality have several implications for housing older people, including the rental market. First, and most obvious, is the effect on aggregate numbers of older people, and hence the overall level of demand for housing. The second point is that the most pronounced impact will occur in the middle (75-84) and oldest (85+) age groups, where levels of dependency increase. The third point hinges on sex differentials in life expectancy. Women outnumber men at older ages due to differential longevity but the two ABS scenarios foreshadow

somewhat different future trends. One assumption reduces the sex differential from 5.4 years to 3.5 years, whereas the other sees a fall to just 2.9 years. A smaller differential implies larger households and fewer lone females.

There is considerable debate as to which of these scenarios reflects the most probable trajectory. Oeppen and Vaupel (2002) show how the limits to life expectancy assumed by projection agencies worldwide have been repeatedly broken and demonstrate a remarkably steady, linear rise in maximum female life expectancy of 3 months per annum over the last 160 years. This is consistent with the more optimistic ABS assumption. Kannisto (2001), on the other hand, reports a decline in life expectancy remaining at the modal age at death in several countries, which points to a slowing of gains and suggests there may be an ultimate limit to the length of life. Australian data show some support for Kannisto (Bell 2002). Nevertheless, the slowdown modelled by the ABS represents a very conservative position with respect to future gains in the length of life.

2.2.2 Household composition and resources

People are linked to dwellings by way of household living arrangements. These in turn are primarily a function of family relationships, though financial resources and dependency also play important roles. Most older Australians live in private dwellings. ABS (2003, p. 33) report that at the 2001 Census, just 6.7 per cent of people aged 65 and over lived in non-private dwellings, predominantly in aged care accommodation. No household or family circumstances are reported for this group. Most of the remainder of the older population live with other family members. Overall, 53 per cent of those 65 and over lived with a partner, and a further 9 per cent with other relatives, while 27 per cent lived alone. However, these proportions vary sharply with age and sex. The old-old are less likely to live with a partner (19.5 per cent) and more likely to live alone (34.7 per cent) or in age care accommodation (27.9 per cent), and these figures are even more pronounced for women than for men.

ABS projections foreshadow a substantial rise in the proportions of older people in age care accommodation and living alone by the year 2026 (ABS 2004). These increases are partly a product of shifts in age composition, but are compounded by an increase in the propensity to live alone or in an institution, as anticipated in the ABS household projection assumptions, which extrapolate the trends that occurred over the 1986-96 interval. While the structural effects of ageing are well entrenched, in actual practice future trends in living arrangements will be crucially affected by shifts in marital composition (as a result of cohort effects) and sex differentials in survival (affecting the chances of widowhood), the balance of which will influence the number of older couples in partnerships. Projections reported by AHURI (1996) based on cohort analysis anticipated a fall in proportions married among older men and (to a lesser extent) women. In a similar vein, Rowland (1994) concluded that 'further improvements in survival will decrease the incidence of widowhood but a continuation of the current marriage bust and divorce boom will weaken and complicate family networks for future generations of the aged'.

The issue of family networks raises the related question of future trends in older people living with other family members. ABS (2003) report that in 2001 fully 20 per cent of people aged 65 and over in private dwellings lived in family households with their children, their children's family, or other family members, but without a partner. It is not clear in what proportion of these the older members were the principal householders, but weakening family networks and declining numbers of offspring suggest that such arrangements may be less common in the future. In fact, as Ruggles (2001) reminds us, extended family households were never as common as folklore would maintain. If opportunities to live with children or other family members

decline, pressure on alternative housing must rise. To the extent that individual household types differ in their housing circumstances, changes in household composition also presage shifts in housing demand.

Rowland (1991) argues that access to housing can be assessed within a resources framework. Housing wealth accrued over a lifetime clearly provides sustained access to owner-occupied housing (Badcock and Beer 2000) and represents the capital needed for other housing choices, such as movement to a retirement village (Stimson 2002). Conversely, lack of housing or other financial capital reduces housing choice and places increased pressure on alternative sources of income. It follows that any demographic circumstances which alter access to financial resources will impact on access to housing. Most obvious in this context are likely to be cohort changes in housing wealth, considered below, but marginal shifts in living arrangements may also interact with policy settings to alter eligibility for income support or other benefits in ways that impact on housing access.

While financial resources are a crucial dimension, Rowland (1991) also stresses the role of family and health as resources that affect housing choice. The role of family networks was considered above. The significance of health lies in its impact on the capacity to live independently. Rowland (1991) demonstrates that among the aged moving from the family home to an institutional setting or a family member's home is principally associated with a loss of autonomy. Policies aimed at maintaining older people in their own homes have reduced the rate of growth in numbers of people in nursing homes and hostels over the past decade (ABS 2002, p.157; 2003a, pp. 17 and 172). However, ageing within the older population will progressively raise numbers in the oldest age groups, where the incidence of disabilities is highest, reasserting the pressure for aged care. From a demographic perspective, the crucial question that arises is whether the current increase in longevity is being achieved at the cost of rising morbidity. If extensions in the length of life are associated with a rise in dependency, current projections of the proportions in aged care institutions may prove optimistic. The evidence to date seems equivocal (AIHW 2000; 2002, p. 12).

2.2.3 Cohort effects and heterogeneity

Cohort effects refer to the way in which the cumulative experience of individual birth cohorts, built up over their lifetimes, varies. The cohorts entering retirement in the early decades of the 21st century differ from their predecessors in a number of respects: they are healthier, wealthier, more highly educated, and more widely travelled. On the other hand they are less likely to have children and more likely to be divorced. While all of these attributes are significant, from a housing perspective perhaps the most critical variation concerns cohort differences in housing ownership. Home ownership among older Australians is high, exceeding 80 per cent at ages 65 and over. Over the past thirty years, however, owner-occupancy has fallen and, if sustained, these lower rates of ownership would eventually be translated to reduced lifetime achievement of home ownership at older ages. In practice, there is considerable debate as to whether the reductions observed represent ownership foregone (e.g. Yates 1999) due to factors such as rising housing costs and student debt (Pearse 2003), or whether the move to ownership has simply been deferred. Baxter and McDonald (2004) demonstrate that delays in entry to home ownership are associated with the postponement of marriage and family formation, and that previous cohorts have tended to make up by later entry to the housing market. They did, however, find some evidence of a fall in ownership among those in their twenties, perhaps in response to the latest house price boom. If rising prices preclude these cohorts from ever gaining a foothold in the housing market, then future years could see a significant rise in the proportion of older Australians reliant on rental housing.

From the evidence to hand, however, there is little likelihood of a radical upwards (or downwards) shift in the proportions requiring rental accommodation.

Older Australians are a heterogeneous group. They vary not only in personal characteristics, but also in preferences, attitudes and values. These variations underpin differences in housing circumstances and aspirations, and therefore also in housing market behaviour. An example is ethnic composition. The overseas-born make up less than a quarter of all Australians but comprise fully one-third of the population aged 65 and over. They also display marked variations in living arrangements compared with the Australia-born, with high proportions married and a greater propensity to live with other family members (ABS 2002, p. 20). This large cohort of overseas-born, many of whom arrived in Australia in the immediate post-war period, is currently concentrated at the younger end of the aged population but over the next two decades will progressively swell the older age groups. As they do so, these unique characteristics will also exert an impact on the nature of housing demand.

Spatial variations are equally important. Older people move relatively infrequently, most moves are short distance and movement at older age is generally less by choice than necessity (Bell and Hugo 2000, Rowland 1991). The spatial mosaic of ageing therefore principally reflects the timing of settlement and subsequent ageing of local population concentrations, rather than the impacts of migration in later life (ABS 2002, p. 7). Age-selective migration does, however, act to reinforce concentrations of older residents in coastal areas and accounts, at least in part, for the deficit in inland Australia. ABS (2002, p. 182) also demonstrates that home ownership among the aged varies widely across space, with levels being especially low in remote areas. These variations reflect the nature of economic activity and composition of the population in inland regions, but the spatial distribution of housing tenures is influenced by available supply as well as by the nature of demand.

2.2.4 Summary

The growth of the future population of aged will be the pre-eminent driver of future demand for rental housing among older Australians. Despite the widespread citation of projection statistics, however, there is considerable uncertainty as to the real magnitude of the future elderly population; the one consistent feature of previous projections has been to understate trends in longevity. The manner in which this growth is translated into demand for housing will be influenced by a range of other demographic factors including patterns of family formation and dissolution, the extent of family networks, and lifetime (cohort) housing experiences. These trends will interact with other non-demographic variables - personal preferences, public policy and market forces - to influence housing outcomes, and in particular the demand for rental housing.

At a fundamental level it is convenient to view rental tenure as a residual category that represents the balance between owner-occupancy and institutional living. Factors that influence these two categories of housing – such as changing access to home-ownership, and loss of autonomy at older ages – can then be seen to determine trends in the proportion of people in the rental market. The onset of disability is a key trigger for the transition to aged care but whether this is equally seamless for renters and owner-occupiers remains to be verified. At the same time, the notion of reverse mortgages suggests that the boundary between renting and owner-occupation may become more, rather than less, porous.

The difficulties of anticipating future demand for aged rental housing are compounded by the growing complexity of housing options now becoming available to older

Australians, many of which do not fit comfortably within the boundaries of traditional statistical classifications. Indeed, as discussed below, it is by no means straightforward to even establish the total numbers of older people who are renting.

2.3 The population of older renters

2.3.1 How many older renters?

Rental tenure is relatively uncommon among older people. In 2001, just 248,600 people aged 65 and over were residing in accommodation that was rented (Table 2). This represented 11.3 per cent of the total aged population and 12.1 per cent of those who lived in private dwellings. While these data are widely cited by housing commentators, considerable caution is needed in the interpretation of statistics on rental housing. There are several aspects of the data that are not widely understood. First, it is important to recognise that Census data on attributes such as family and household type, tenure, landlord type, rental payments and dwelling structure are only collected for people living in private dwellings and who were at home on the Census night. This effectively means that data on housing characteristics are missing for some 142,000 older Australians (about 6 per cent of the total population) who were enumerated away from their usual residence. While visitors appear to be included in some reported analyses of aged housing, we take the view that they should be excluded and, where possible, the figures in the analysis that follows are adjusted accordingly.

Table 2: Persons aged 65 and over by dwelling type and tenure, 2001(a)

Type of dwelling and tenure	Persons		Householders	
	Number	Per cent	Number	Per cent
Owner/purchaser	1,640,900	79.8	1,095,700	79.3
Renter	248,600	12.1	192,000	13.9
Other (b)	62,700	3.1	48,700	3.5
Total private dwellings (c)	2,057,300	93.1	1,381,600	100.0
Non-private dwellings	151,300	6.9	NA	NA
Grand total	2,208,600	100.0	NA	NA

Source: ABS 2001 Census unpublished data.

Notes: (a) excludes overseas visitors and people away from home on Census night (b) Includes persons living in private dwellings occupied rent free and under life tenure schemes (c) Includes persons in private dwellings who did not state their type of tenure.

A second issue is that the Census question on housing tenure relates to the dwelling, rather than to the residents themselves. Older people living in the homes of children who own the dwelling are effectively themselves classified as owners, though they may in fact be paying some form of rent to the householder. Conversely, older people living as guests in a household which is rented, are classified as renters. One alternative is to confine attention to household reference persons. When this is done, a rather different picture emerges, with the proportion of renters rising to 13.9 per cent (Table 2). As Baxter and McDonald (2004) point out, however, this too gives an incomplete picture, because it ignores the role of partners in couple households. Until Census coding procedures are changed, there is no ready means of deriving a clear picture of older people's tenure. For the purposes of this analysis, however, we follow previous commentators and conduct most of the analysis using data for total persons.

A third and more general problem is that the definitions used for housing statistics in the Census are not directly comparable with those used in other ABS collections, including, for example, the building statistics collection. This inevitably prejudices comparability.

In the context of the current study, a more serious issue is that the housing classifications utilised in the Census do not fully capture the diversity of housing types for older people that are rapidly emerging in Australian settings. The main distinction recognised in the Census is between private and non-private dwellings (the Census variable DWTD). Private dwellings are home to households (which comprise a single person living alone, or a group of people who make common provision for meals). Non-private dwellings are those which provide communal or transitory accommodation. For private dwellings, the Census variables TEND and LLDD identify housing tenure (distinguishing renters from owners), and differentiate the type of landlord (private, public, housing cooperative or other). Another variable, Dwelling Location DLOD), distinguishes particular types of private dwellings, most notably for this study 'accommodation for the retired or aged (self-care)', but also the classification 'caravans in parks and manufactured home estates'. The former is defined specifically to capture types of aged accommodation in which the occupants provide their own meals and are regarded as being self-sufficient. Cross-classifying DLOD by TEND would indicate the proportion of such dwellings which are rented, in the same way as is possible for other private dwellings. Within the non-private dwelling category, the scope for analysis is much more limited. Non-private dwellings are divided into 18 main categories, several of which are significant forms of accommodation for older people including: boarding houses and private hotels; nursing homes; and accommodation for the retired or aged (cared).

Table 3: People aged 65 and over by type of dwelling type and tenure, 2001

Type of dwelling	Total persons	Total renting
Retired or aged (self-care) [DLOD 4]	74,356	11,731
Caravans in parks and MHEs [DLOD 1+3]	48,436	3,530
Other private dwellings	2,055,639	248,639
Total private dwellings	2,178,431	263,900
Retired or aged accommodation (cared) [12]	63,657	Na
Boarding houses and private hotels [4]	2,261	Na
Nursing homes [11]	70,946	Na
Other non-private dwellings	54,445	Na
Total non-private dwellings	191,309	Na
Total in all dwellings	2,369,740	263,900

Source: ABS 2001 Census (unpublished data).

Notes: Includes domestic visitors.

Table 3 sets out the numbers of older people in each of these categories of accommodation, together with the numbers renting where these data are available. In this case the data include domestic visitors (people not usually resident in the household) and the count is therefore slightly larger than in Table 1. The results indicate that the majority of people aged 65 and over are housed in private dwellings, with relatively small numbers in accommodation for the retired or aged (self-care) or in caravans or manufactured home estates. Similarly, there are relatively few older

Australians in the identified forms of non-private dwelling. Together, these specialist forms of accommodation as identified in the Census accounted for just 259,656 people aged 65 and over in 2001, a little more than 1 in 10 (10.9 per cent) of the total population of older people.

Table 4 maps the ABS classification discussed above to the various types of accommodation used by older age renters, as shown in Table 1. The various classes of private dwelling are generally identifiable as discrete categories in the ABS classification. The only point of note is that ‘family provided housing’, can only be identified separately using information on the relationship in the household. As noted above, dwelling tenure is attributed to all individuals in a household so unless attention is confined purely to the household reference person, this group will simply be included in the rental categories.

The categories of housing with some support for the aged generally correlate to ABS non-private dwellings, but some of the finer distinctions in the classification devised here cannot be made in the ABS data. For example, it is not possible to distinguish in the ABS statistics between retirement villages with assisted living and small scale communal housing. In a similar way, it is not clear how ‘other community housing’ in which the forms of assistance vary, are classified in ABS collections. Aged care facilities involving nursing care, on the other hand, clearly map to the ABS non-private dwelling category of ‘nursing homes’.

Table 4: Mapping rental housing for older people to ABS Census Classifications

AHURI Paper Rental Housing Options	ABS classification
Public rental	Private dwelling (DWTD, TEND, LLDD)
Private rental	Private dwelling (DWTD, TEND, LLDD)
Retirement villages	Private dwelling (DWTD, DLOD, TEND)
Assisted-living retirement villages	NPDD=12 or Private dwelling (DWTD, DLOD, TEND)
Small-scale communal housing	NPDD=12
Other community housing	Unclear
Caravans/transportable homes (MHEs?)	Private dwelling (DWTD, DLOD, TEND)
Boarding houses/private hotels	NPDD=4
Family provided housing	Private dwelling (DWTD, RLFP, TEND)

2.3.2 Historical trends in rental tenure for older people

Analysis of the 1981, 1991 and 2001 CURF datasets, which are 1 per cent samples drawn from their respective Censuses, shows that although the absolute number of renters has risen sharply over the last twenty years, their overall representation has remained relatively stable. In 1981 12.9 per cent of people aged 65 and over lived in rental housing and this rose during the 1990s to 13.3 per cent. By 2001, however, rental tenure had fallen to encompass just 12.1 per cent of the total, a little below the 1981 figure. A similar picture emerges if attention is confined to household reference persons. The aggregate number of householders aged 65 and over reporting rental tenure almost doubled over the twenty year period, but their representation as a proportion of all aged householders was actually lower in 2001 than in 1981.

Table 5: Persons aged 65 and over in rental tenure, 1981 to 2001

Year	Persons		Householders	
	Number	Per cent (a)	Number	Per cent (a)
1981	143,800	12.9	105,700	14.1
1991	211,400	13.3	154,700	14.8
2001	248,600	12.1	192,000	13.9

Source: ABS 1981, 1991 and 2001 Census CURFs.

Notes: (a) Per cent of total persons aged 65 and over in private dwellings.

The aggregate growth in rental tenure has occurred among older Australians at all ages. As Table 6 shows, numbers increased at ages 65-74, 75-84 and 85 and over, though the sharpest proportional increase was for those at the oldest ages. Nevertheless, the same picture emerges in terms of temporal trends: all older ages groups of renters rose as a proportion of all tenures during the 1980s, but fell again during the 1990s. Only among those aged 85 and over, where the highest rate of growth occurred, was rental tenure still marginally above its 1981 level.

Table 6: Persons in rental tenure by age, 1981 to 2001

Year	65-74	75-84	85+	65+
<i>Persons</i>				
1981	97,200	40,800	5,800	143,800
1991	128,800	69,900	12,700	211,400
2001	143,600	80,900	24,100	248,600
<i>Per cent % (a)</i>				
1981	12.6	13.8	12.2	12.9
1991	12.7	14.2	15.5	13.3
2001	12.3	11.4	13.6	12.1

Source: ABS 1981, 1991 and 2001 Census CURFs.

Notes: (a) Per cent of total persons aged 65 and over in private dwellings.

Within the rental tenure category, tracking changes in distribution by landlord type is severely hampered by shifts in data classification, and the fact that only broad categories are included in the Census sample files.

Table 7 draws on the data presented by Howe (2003) to summarise trends in tenure over the 1981-2001 period for the two main landlord types: private and public, the latter including SHAs and other government landlords. The data indicate growth in public housing at older ages during the second half of the 1980s, followed by a steady decline, at least in proportional terms, during the 1990s. Private rental displays quite the opposite trend, with a sharp fall in significance between 1986 and 1991, followed by a steady rise over the subsequent decade.

Table 7: Renters aged 65 and over by landlord type, per cent of total, 1986 to 2001

Year	Private	Public
1986	7.4	5.1
1991	6.2	5.3
1996	6.7	4.7
2001	7.1	4.4

Source: Howe (2003) Table 1.

Table 8 provides a more detailed breakdown of renters by landlord type using the 2001 Census classification, and excluding visitors, as in earlier tables. The results reveal a relatively even balance in the distribution of older Australians between private and public rental. Some 5 per cent of all people aged 65 and over enumerated at home in a private dwelling on Census night occupied housing rented from SHAs. A further 5.4 per cent were housed in accommodation rented from a real estate agent or private landlord. However, if attention is confined to householders aged 65 and over, the balance is reversed with a slightly higher proportion resident in public housing (6 per cent) than in private rental (5.8 per cent). Less than 1 per cent of all older households rented from community or cooperative housing providers.

Table 8: Renters aged 65 and over by landlord type, 2001

Type of rental tenure	Persons		Householders	
	Numbers	Per cent (a)	Numbers	Per cent (a)
State/Territory housing authority	102,500	5.0	83,500	6.0
Community or cooperative housing	14,900	0.7	12,300	0.9
Private landlord/real estate agent	111,100	5.4	79,900	5.8
Total renting (b)	248,600	12.1	192,000	13.9
Total private dwellings	2,057,300	100.0	1,381,600	100.0

Source: ABS 2001 Census CURF.

Notes: (a) Per cent of total persons aged 65 and over in private dwellings (b) includes other landlord types and landlord not stated.

2.4 Characteristics of older renters

Understanding the demographic characteristics of older renters is an important foundation for policy development. This section develops a demographic profile of older Australians living in rental housing. It begins by situating this group in a broad comparison of renters against owner-occupiers and those living in aged care accommodation. Subsequent analyses focus specifically on the renter group, focusing in turn on distinctions within the group according to age, landlord and geographic location.

2.4.1 Older Australians by housing circumstances

Only one in eight older Australians live in rental housing; four out of five are housed in owner-occupied dwellings and just one in every fifteen live in a non-private dwelling

(Table 2). Nevertheless, the characteristics of older renters differ in several respects from those in the other two main forms of housing tenure. As demonstrated in Table 9, the age distribution of older renters is very close to that of those in owner-occupied dwellings; only those in non-private dwellings display a distinctively older age profile. The sex ratio for renters is likewise similar to that for owners and does not display the over-representation of older women characteristic of aged care settings. One demographic characteristic which does show slightly larger variation is birthplace, with marginally higher representation of older overseas-born Australians in rental housing (41 per cent compared with 33 per cent for owner-occupiers).

Income data reveal greater differences. Compared with those in owner-occupied housing (38 per cent) a significantly larger proportion of renters (54 per cent) lived in low-income households. This can be attributed partly to differences in household size. Almost half (48 per cent) of all renter households consisted of lone persons, whereas these comprised only one quarter (26 per cent) of owner-occupied dwellings. Smaller households have potentially fewer income earners so aggregate income is likely to be smaller. If attention is confined to personal income, the difference is much reduced: 37 per cent of those in rental housing earned less than \$200 per week, compared with 35 per cent of those in owner-occupied dwellings. Despite this, data from the 1999 Australian Housing Survey do show significant variations in the source of income for older people in the two tenure groups. More than 87 per cent of renters were reliant on government pensions or allowances as their principal source of income, compared with just 61 per cent of owner-occupiers. These data relate to households but the same pattern holds for individuals: 94 per cent of those in rented housing relied on government pensions or allowances compared with 68 per cent of those in owner-occupied housing. More detailed analysis reveals that this dependence on government sources is especially pronounced among those in public housing, where 97 per cent of occupants relied on a government pension or allowance as their principal source of income. This compares with just 80 per cent for those in private rental (ABS 1999b).

Differences in household size contribute to variation in income levels between tenure groups, but these differences are obviously important in their own right. The fact that almost half of rental tenants are lone persons clearly has implications for the type of housing that may be needed, and for the levels of immediate family support they have available. These differences in household type are also reflected in household composition, with just 37 per cent of people in renter households identifying as a husband, wife or partner, compared with 62 per cent of those in owner-occupied dwellings.

Table 9: Socio-demographic characteristics of older Australians by housing type, 2001

		Owner-Occupier	Rented	Non-Private Dwelling	Total
Age (agep ≥34)	65-74	57.8	57.8	13.7	53.9
	75-84	34.3	32.5	38.1	34.7
	85 and over	7.9	9.7	48.2	11.4
	Total	100.0	100.0	100.0	100.0
Sex (sexp)	Male	45.4	42.0	28.8	43.4
	Female	54.6	58.0	71.2	56.6
	Total	100.0	100.0	100.0	100.0
Principal Source of Income (a)	Government pension or Allowance	60.7	87.2	NA	64.2
	Superannuation	10.1	1.6	NA	8.9
	Other	29.2	11.2	NA	26.9
	Total	100.0	100.0	NA	100.0
Individual income (incp)	Low-income (<\$200 pw)	34.7	37.3	17.8	32.6
	Other income (greater or equal to \$200 per week)	59.1	51.2	48.6	55.9
	Not stated	6.2	11.5	33.5	11.5
	Total	100.0	100.0	100.0	100.0
Household income (hind)	Low-income (less than \$400 per week)	37.7	54.3	NA	36.6
	Other income (greater than \$400 per week)	52.9	31.7	NA	44.5
	Other	9.4	14.0	NA	10.0
	Total	100.0	100.0	NA	100.0
Household type (hhtd)	One family household	70.9	47.6	NA	60.6
	Two and three family households	1.8	1.0	NA	1.5
	Lone person household	26.0	48.3	NA	27.6
	Group household	1.3	3.1	NA	1.5
	Total	100.0	100.0	NA	100.0
Relationship in household (rlhp)	Husband, wife or partner	62.4	37.2	NA	58.0
	Lone parent	4.8	5.4	NA	4.7
	Non-dependent child	0.2	0.1	NA	0.2
	Other related individual	4.9	5.5	NA	4.8
	Non-family member	27.7	51.9	NA	32.2
	Total	100.0	100.0	NA	100.0
Overseas Born (bplp)	Australia Born	67.1	59.2	75.9	66.7
	Overseas Born	32.9	40.8	24.1	33.3
	Total	100.0	100.0	100.0	100.0

Source: ABS 2001 Census CURF, ABS 1999 Australian Housing Survey.

2.4.2 Older renters by age

Table 10 sets out the characteristics of older rental tenants by age. A little over half of all rental households reported incomes of less than \$400 per week and this proportion was similar for all age groups, although it is notable that a larger number in the oldest age group failed to report their incomes. Somewhat greater differences are apparent between the three groups in terms of landlord type and rental payments. For the younger aged, private rental is the most common form of rental housing, accounting for almost half of all households. At the oldest ages, however, this has fallen to less than one third. Public housing, community or cooperative housing, and other forms of rental tenure become progressively more significant as age increases.

Table 10: Older Australian rental tenants, 2001

		65-74	75-84	85 and over	Total
Household income (hind)					
	Low-income (less than \$400 per week)	53.0	56.9	53.1	54.3
	Other income (greater than \$400 per week)	34.9	26.9	28.6	31.7
	Partial incomes stated	3.3	3.6	3.7	3.4
	Other incl. not stated	12.1	16.2	18.3	14.0
	Total	100.0	100.0	100.0	100.0
Landlord type (lldp)					
	Private	49.2	40.2	32.8	44.7
	Public	39.8	43.1	43.6	41.2
	Community or co-operative housing group	4.7	7.0	10.0	6.0
	Other	4.4	7.4	11.2	6.0
	Total	100.0	100.0	100.0	100.0
Weekly rent (rntd)					
	\$0-\$99	44.8	52.3	53.9	48.1
	\$100-\$199	39.6	31.4	24.1	35.4
	\$200-\$299	7.1	4.0	5.8	6.0
	\$300-\$399	1.7	1.2	0.8	1.4
	\$400-\$499	0.8	1.1	0.4	0.8
	\$500 and over	0.8	1.7	1.2	1.1
	Not stated	5.3	8.3	13.7	7.1
	Total	100.0	100.0	100.0	100.0
Sex (sexp)					
	Male	47.3	36.1	30.7	42.0
	Female	52.7	63.9	69.3	58.0
	Total	100.0	100.0	100.0	100.0

Source: 2001 Census CURF, ABS.

The shift away from private rental with increasing age is reflected in a reduction in weekly rent paid by the oldest renters. At ages 65-74, just 44 per cent of rental households paid less than \$100 per week in rent, but this rises to 56 per cent for those aged 85 and over. High rents are uncommon for older households. Less than 5 per cent of those aged 75-84 paid \$300 or more per week, and this falls to 2.5 per cent for those aged 85 and over.

Women are overrepresented in rental housing across all age groups, and at ages 85 and over made up fully 70 per cent of rental householders. Further analysis shows that females are concentrated particularly in public housing and community rental, whereas men tend to be overrepresented in private rental across all older age groups. The proportion of overseas born rental tenants declines only slightly across the older age groups, but this matches the Australian population as whole: overseas-born Australians (14.6 per cent) are more likely to rent than older people born in Australia (11.0 per cent).

2.4.3 Older renters by landlord type

Older renters are divided about equally between private and public landlords, but the two groups of tenants have somewhat different characteristics. Those renting from SHAs tend to be older, on average, than those renting in the private sector, and are more likely to be female. The two sectors also display markedly different household profiles. Single person households are strongly represented in both landlord types, but are especially prominent in the public sector, where they make up more than half of all households. This compares with a little over one third in the private rental sector. Allied to these variations are clear differences in income profiles. Public tenants reported consistently lower incomes, whether measured on the basis of individual or household income. At the household level, the difference in income profile can be attributed at least in part to the greater proportion of single person households in public rental. Smaller households on average receive lower aggregate incomes, and it is not surprising that a greater proportion of households in the public sector reported incomes under \$400 per week (62 per cent compared with 47 per cent). However, income differences are also evident at the individual level. Two-fifths of individuals aged 65 and over in public housing reported incomes of less than \$200 per week, compared with just one third of those in private rental. This may partly reflect the older age profile of the public housing group, but it is also consistent with the targeting of public housing towards the lowest income groups in society.

Table 11: Selected socio-demographic characteristics of older people in rental housing by landlord type, 2001

		Private	Public
Age	65-74	63.6	55.7
	75-84	29.3	34.0
	85 and over	7.1	10.2
	Total	100.0	100.0
Sex	Male	47.5	37.4
	Female	52.5	62.6
	Total	100.0	100.0
Individual income	Low-income (< \$200pw)	34.8	42.5
	Other Income (≥ \$200pw)	57.5	42.0
	Not stated	7.7	15.5
	Total	100.0	100.0

		Private	Public
Household income (weekly)	Low-income (< \$400pw)	46.8	62.3
	Other Income (≥ \$400 pw)	42.6	20.2
	Other (inc. NS, partial income stated)	10.6	17.5
	Total	100.0	100.0
Household type	One family household	57.0	41.1
	Two and three family households	1.3	0.5
	Lone person household	37.8	55.8
	Group household	3.8	2.6
	Other not classifiable	0.2	0.0
	Total	100.0	100.0

Source: 2001 Census CURF, ABS

2.4.4 Older renters by geographical location

Overall, rental tenure has a similar level of prevalence across Australia. In capital cities, 11.4 per cent of people aged 65 and over were housed in rental dwellings on Census night, slightly higher than the figures for non-metropolitan areas (11.0 per cent) and for the smaller jurisdictions of Tasmania and the two Territories which are identified as a combined group on the 2001 Census sample file (10.6 per cent). The numerical values for householders are marginally higher but display similar differentials. Despite these similarities, disaggregating the characteristics of older Australian renters by residential location highlights a number of differences between Capital City regions and other parts of Australia (Table 12).

Renters in non-metropolitan areas of Australia are slightly older than those in capital cities, despite the lower average age of older people outside the capitals. Notably, however, it is Tasmania and the Territories where renters display the oldest age profile. Spatial variations also exist in landlord type. Private rental is more prominent in non-metropolitan areas, and least common in Tasmania and the Territories. Conversely, renters in the major capitals are more likely to be housed in public rental dwellings, as are those in the Tasmania and the Territories. Some 46 per cent of older capital city renters live in public housing compared with just 33 per cent of older renters outside the capital cities. Tasmania and the Territories have the highest representation of community or cooperative housing arrangements for older people. Table 12 shows these differences are partly reflected in weekly rents. Almost half of all renters in both capital cities and non-metropolitan areas paid less than \$100 per week and four-fifths paid less than \$200 per week. Average rents, however, were lower in Tasmania and the Territories, with almost 60 per cent of older people who lived in rental housing paying below \$100 per week.

Table 12: Older renters by geographical location, 2001

		Capital Cities	Non-metro areas	Tas/NT/ACT	Total
Overall significance	Proportion of persons aged 65 and over in rental dwellings	11.4	11.0	10.6	11.3
	Proportion of householders aged 65 and over in rental dwellings	14.3	13.4	13.1	13.9
Age (agep)	65-74	60.7	54.2	46.7	57.8
	75-84	31.2	34.6	34.4	32.5
	85 and over	8.2	11.2	18.9	9.7
	Total	100.0	100.0	100.0	100.0
Landlord type (lldp)	Private landlord	41.4	51.4	30.0	44.7
	State/Territory Housing Authority	45.7	33.3	50.0	41.2
	Community or co-operative housing group	5.1	6.7	13.3	6.0
	Other	7.8	8.6	6.7	8.1
	Total	100.0	100.0	100.0	100.0
Weekly Rent (rntd)	\$0-\$90	47.3	48.5	58.9	48.1
	\$100-\$199	33.5	38.7	33.3	35.4
	\$200-\$299	8.0	3.3	0.0	6.0
	\$300-\$399	1.8	1.0	1.1	1.4
	\$400-\$499	1.2	0.4	0.0	0.8
	\$500 and over	1.4	0.9	0.0	1.1
	Not stated	7.0	7.2	6.7	7.1
	Total	100.0	100.0	100.0	100.0

Source: 2001 Census CURF, ABS

2.4.5 Summary

Older age, low-income renters in Australia can be typified by their age, sex and geographic location. Within the older age groups, the oldest-old (aged 85+) have the highest proportion of low-income renters, though movement into non-private dwellings (age care facilities) is also an important factor for this group. The majority of low-income renters live in public and community housing, a somewhat higher proportion than those renting from private landlords. Sex differentials also exist with females overrepresented in rental housing across all age groups and males significantly overrepresented in private rental housing in the older age groups. Some geographic variation in the location of low-income older age renters is also evident. The greater propensity of low-income renters to be located in public housing, coupled with greater availability of this type of housing in capital cities, resulted in larger proportions of low-income renters in capital city regions compared to other parts of Australia. Thus low-income, older age renters are more likely to be female, in the oldest age categories, occupying public housing and living in the capital city regions of Australia.

At younger ages, rental may be a tenure of choice, providing considerable flexibility in housing options (Baum and Wulff 2003). Data on housing aspirations at older ages are more difficult to come by, but for many it seems likely that private rental is a tenure of last resort rather than of choice. Faulkner (2001, p. 15) notes that aged people living in private rental have long been recognised as those in greatest housing need, and cites ABS data showing that in 1997-98 aged couples renting privately were spending 30 per cent or more of their income on rent, while for aged lone persons the figure was 50 per cent (see also ABS 2002, p. 195). Evidence is also accruing that for many, including those at older ages, renting has become a long-term prospect, rather than a short-term convenience (Wulff and Maher 1998), as discussed further in chapter three.

2.5 The future of rental tenure

Projecting future numbers of people and households comprising low-income elderly renters presents a challenge as standard population and household projections do not generally distinguish between tenure and income categories. Indeed, it is only in the last decade that projections of population by household type have been addressed seriously within Australia, and the state of the art even for this work is still rudimentary (Bell 1992). However, it is possible to develop indicative projections of older households by tenure and income by making certain assumptions about the distribution of the population across income and tenure categories. In this section we briefly review recent population and household projections for Australia and implement a simple method for producing projections of the numbers of people and households of low-income elderly renters using the available projections.

Two sets of household projections have been produced recently, one by the Australian Bureau of Statistics (ABS 2004) which makes use of the ABS population projections (ABS 2003b), the other as part of an AHURI project (McDonald 2003b). In addition, Wilson and Bell (2004) recently prepared probabilistic population forecasts which provide predictive intervals for all projection output variables. We first give a brief overview of the population projections, and then the household projections.

2.5.1 ABS population projections

The ABS population projections provide estimates of the future population for Australia as a whole and for capital city and balance of State geographical areas for each year 2002-51 by sex and single years of age up to 99. A large number of variants are produced to reflect different assumptions about the future trajectories of fertility, mortality and migration, though most attention is given to series A (high), B (medium) and C (low). These consist of high, medium and low assumptions for fertility and net international migration, and two mortality assumptions: a medium mortality assumption for series B and C, and low mortality (i.e. high life expectancy) for series A. According to these three series Australia's mid 2002 population of 19.7m is, by mid 2026, projected to reach 25.7m (A), 24.2m (B) or 22.8m (C). But, as noted earlier, while the size of the population continues to increase the major demographic change of the twenty-first century will be the transformation of Australia's age structure as the nation's population ages. The elderly population is projected to grow much faster than the population as a whole.

Table 13 presents ABS projections for this sub-population. The 85+ age group is projected to rise from around 280,000 in 2002 to between 1.5 and 2.7m by mid-century. This increase will be driven by declining mortality and an increase in the size of the cohorts reaching age 65. This in turn is a result of the ageing of large birth cohorts, especially those born during the post-war baby boom, twentieth century mortality declines and net additions from immigration. As indicated earlier, the

projections also foreshadow massive impending rises in the population of middle and younger retirement age. According to the median projection, the population aged 65-74 will rise by 230 per cent by 2051, the numbers aged 75-84 by 280 per cent, and the numbers aged 85+ by 560 per cent.

Table 13: ABS projections of Australia's elderly population, 2026 and 2051

Ages		2002	2026	2051
65-74	Series A	1,333	2,709	3,311
	Series B	1,333	2,675	3,047
	Series C	1,333	2,639	2,842
75-84	Series A	877	1,819	2,867
	Series B	877	1,773	2,528
	Series C	877	1,759	2,425
85+	Series A	280	795	2,694
	Series B	280	679	1,581
	Series C	280	676	1,549
65+	Series A	2,490	5,323	8,872
	Series B	2,490	5,127	7,156
	Series C	2,490	5,073	6,816

Source: ABS 2003c

Note: Series B and C use the same mortality assumption so the differences between them are small, particularly for the first two decades of the projection horizon.

2.5.2 Probabilistic population projections

Probabilistic population projections consist of a median (or most likely) projection along with predictive intervals indicating the possible error of that projected figure. They are calculated using thousands of simulations of a cohort component model with randomly varying fertility, mortality and migration rates. This approach overcomes many of the limitations of traditional high, medium and low variants, such as the lack of stated probabilities given to low and high variants, and the rigid combinations of high, medium and low fertility, mortality and migration assumptions (Lutz, Sanderson and Scherbov 2004). Wilson and Bell (2004) recently produced 2002-based probabilistic population projections for Australia. Their results predict a national population of 28.0m by 2051 with a 95 per cent predictive range covering 21.2 to 36.0m.

Table 14 presents median projections for the elderly population together with 67 per cent and 95 per cent predictive bounds. It can be seen that the median projections and the ABS series B projections are roughly similar. However, only probabilistically consistent predictive intervals can provide a realistic indicator of the uncertainty of these forecasts.

Table 14 shows considerable uncertainty in the future size of Australia's elderly population, especially for the 85+ age group which is highly sensitive to future developments in oldest-old mortality rates. For this group, the projections indicate a 67 per cent probability that the population will lie in the range from 1.6 to 2.2 million. These figures correspond closely to the low and high ABS projections (see Table 13): thus, there is a one in three probability that the numbers aged 85 and over could be higher, or lower, than the limits projected by ABS. The picture is similar for the other age groups, serving to underline the points made earlier with respect to the uncertainties surrounding future growth of the aged population.

Table 14: Probabilistic projections of Australia's elderly population, 2026 and 2051

Ages		2002	2026	2051
65-74	95% high	1,337	2,724	3,510
	67% high	1,337	2,657	3,245
	Median	1,337	2,584	2,958
	67% low	1,337	2,513	2,701
	95% low	1,337	2,439	2,436
75-84	95% high	877	1,865	2,928
	67% high	877	1,799	2,729
	Median	877	1,734	2,525
	67% low	877	1,656	2,324
	95% low	877	1,599	2,144
85+	95% high	277	849	2,549
	67% high	277	776	2,205
	Median	277	706	1,877
	67% low	277	639	1,590
	95% low	277	579	1,353
65+	95% high	2,491	5,413	8,793
	67% high	2,491	5,212	8,083
	Median	2,491	5,026	7,384
	67% low	2,491	4,834	6,700
	95% low	2,491	4,647	6,104

Source: unpublished figures from Wilson and Bell (2004) projections.

Note: 2002 populations differ slightly from those used by ABS as adjustments of elderly population figures were made using the extinct generations and survivor ratio methods.

2.5.3 ABS household projections

The 2004 series ABS household projections (ABS 2004) take the 2002-based series B population projections as their starting point and disaggregate them to household positions. Examples of household positions include a person living alone, a husband, wife or partner in a couple family without children, and a child in a couple family with children. The disaggregation was carried out by multiplying each five year age-sex group of the population by a projected 'propensity', defined as the proportion of each age-sex group in a specific household position. ABS produced three series of projections by sex and five year age groups for Census years 2001-26: series 1 assumes no change in household position propensities from 2001; series 2 projects a low rate of change in propensities; and series 3 assumes a rate of change extrapolated from the period 1986-2001. The differences between the three series, however, are quite small and so only the projections for the middle series, Series 2, are shown here. Table 15 presents a summary of national-level household projections for the elderly population, by household position. The results foreshadow a marked rise in the numbers of older people in each of the major household types over the 25 year period. The numbers of people aged 65 and over living in couple families with and without children, one parent families, and living alone, are all projected to rise substantially. However, it is notable that on these projections there is remarkably little shift in the overall household profile over the projection interval. Lone person households, especially of males, grow fastest, and couples without children and single parent families increase more slowly. Nevertheless, by 2026, the distribution of older people by household position is not radically different from that

observed in 2001. This is partly a result of the assumption of stable propensities on which the projection is based, but it also reflects the fact that growth in the numbers at middle and older old age (75 and over), where living alone is most pronounced, does not accelerate until after 2021.

Table 15: ABS projections of the elderly population by household position, Series 2, 2026

Household position			2001 Per cent	2026 Per cent	Change 2001-2026	
	2001	2026			Number	Per cent
Couple with children	222	450	9.1	8.8	228	102.7
Couple without children	1166	2530	47.9	49.3	1364	117.0
One parent family	128	271	5.3	5.3	143	111.7
Other family household	32	22	1.3	0.4	-10	-31.3
Group household	39	68	1.6	1.3	29	74.4
Male lone person	189	440	7.8	8.6	251	132.8
Female lone person	487	1050	20.0	20.5	563	115.6
Non-private dwelling	166	283	6.8	5.5	117	70.5
Total	2436	5127	100.0	100.0	2691	110.5

Source: ABS, 2004

McDonald's household projections As part of an earlier AHURI project McDonald (2003b) produced 1996-based sub-national household projections for 71 regions of Australia, and for the States and Territories. The projection horizon extended to just 2011 for the regions and 2030 for the States and Territories with the exception of the ACT (up to 2011). Unlike the static household position method employed by ABS, McDonald used a dynamic multi-state model with age-sex-specific probabilities of transition between different household positions. In these projections the highest reported age group is 60+, which unfortunately makes direct comparisons with the ABS projections impossible.

2.5.4 Projections of low-income renters

A simple projection of the number of individuals and households consisting of low-income renters can be made by assuming that the proportion of people in each household position who are currently low-income renters remains constant over time. Although this assumption may not be borne out in practice, such a projection does provide a baseline scenario demonstrating the consequences for housing demand of the predicted changes in population and household composition. The proportions of low-income renters were calculated from the 2001 Census Household Sample File with 'low-income' being defined as a household income of below \$600 per week (almost exactly the lowest quartile). The projections were made by applying these proportions to the ABS Series 2 household projections.

Table 16 presents the projections of population by household position.

Table 17 shows projections of the number of households headed by an aged person.

Table 16: Projections of elderly low-income renters by household position, 2026 (thousands)

Household Position	Ages 65-74		Ages 75-84		Ages 85+		Ages 65+	
	2001	2026	2001	2026	2001	2026	2001	2026
Family households								
<i>Couple family with children</i>								
Husband, wife or partner	3.2	7.0	0.7	1.5	0.2	0.7	4.1	9.2
Child	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other related individual	0.2	0.3	0.3	0.3	0.1	0.1	0.7	0.8
<i>Couple family without children</i>								
Husband, wife or partner	44.2	92.0	18.4	41.9	1.9	6.0	64.5	139.9
Other related individual	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>One-parent family</i>								
Male lone parent	0.7	1.4	0.4	0.9	0.1	0.3	1.2	2.6
Female lone parent	2.4	4.9	1.7	3.6	0.8	2.1	4.9	10.6
Child	0.1	0.2	0.0	0.0	0.0	0.0	0.1	0.2
Other related individual	0.9	1.8	0.5	0.9	0.2	0.4	1.6	3.1
<i>Other families</i>								
Related individual	1.7	1.3	0.7	0.4	0.3	0.2	2.7	1.9
Total	53.2	109.3	22.8	48.7	3.8	9.8	79.8	167.8
Group households								
	3.5	6.4	0.8	1.3	0.0	0.0	4.3	7.6
Lone person households								
Male lone person	23.4	52.6	11.4	25.5	2.9	8.8	37.7	87.0
Female lone person	32.5	60.7	29.9	63.6	10.6	32.3	73.1	156.7
Total	112.6	229.0	64.8	139.1	17.3	51.0	194.8	419.0

Source: calculated using ABS Series 2 household projection multiplied by the proportion of the population in each household position consisting of low-income renters according to the 2001 Census Household Sample File.

Note: The total number of family households also includes unrelated individuals.

Table 17: Projections of the number of elderly low-income renter households, 2026 (thousands)

Household Type	Ages 65-74		Ages 75-84		Ages 85+		Ages 65+	
	2001	2026	2001	2026	2001	2026	2001	2026
Family households								
Couple family with children	1.6	3.5	0.3	0.8	0.1	0.3	2.1	4.6
Couple family without children	22.1	46.0	9.2	21.0	1.0	3.0	32.2	69.9
One-parent family	3.1	6.3	2.1	4.5	0.9	2.4	6.1	13.3
Other families	0.8	0.6	0.3	0.2	0.2	0.1	1.3	0.9
Group households								
	1.6	2.8	0.3	0.6	0.0	0.0	1.9	3.4
Lone person households								
	55.9	113.4	41.3	89.1	13.6	41.1	110.8	243.6
Total	85.0	172.7	53.7	116.1	15.7	47.0	154.4	335.8

Source:

calculated

from

Table 16

Note: It was assumed that the number of couple family households (with or without children) is equal to half the number of partners in the couple family, the number of lone parent households is equal to the number of lone parents, the number of other family households is equal to 0.476 of the number of individuals in such households (an average of 2.1 members), the number of group households is equal to 0.444 of the number of individuals in these households (an average of 2.25 members), and the number of lone person households is equal to the number of lone persons.

The key points to emerge from these projections may be summarised as follows:

- The number of people aged 65+ living in low-income rental households is projected to increase from 195,000 in 2001 to 419,000 by 2026 while the number of low-income households is expected to rise from 154,000 to 336,000 over this period.
- However, the proportion of the 65+ population living in low-income rental households is unlikely to change much, the projections suggesting a marginal increase from 8.0 per cent in 2001 to 8.2 per cent by 2026.
- Most of the absolute growth in low-income renter household numbers is projected to take place among couple families without children and lone person households.
- The 2001-26 projected growth of the population living in low-income renter households is 103 per cent for age group 65-74 (the same as for all types of household in this age group), 114 per cent for ages 75-84 (compared to 109 per cent for all household types of this age), and 194 per cent for those aged 85 and above (compared to 156 per cent).

2.6 Summary and conclusions

Population ageing is set to become one of the pre-eminent social issues of the twenty first century with implications for a raft of social and economic policies. In the context of housing, as in other fields, it is the absolute magnitude of growth of the older population that will be of most significance. It is widely argued that the size of this population can be predicted with confidence, because the aged of 2030, or even 2050, are already alive, and most are already living in Australia. In reality, however, the future trajectory of aged mortality is by no means certain, and alternative pathways imply significantly different age profiles in the future, especially at the oldest ages. Moreover the uncertainty is greatest at the oldest ages where housing, like other needs, is most specialised. One feature common to all projections is that population growth at older ages will steadily amplify as the baby boomers pass progressively through their sixties, seventies and reach their eighties from around 2030. This progressive ageing of the older population has important implications because the evidence assembled here demonstrates that household circumstances and housing needs alter radically as age increases.

Future housing need for older Australians will also be heavily influenced by trends in household composition. A recent global survey revealed enormous variation in living arrangements among older people around the world (United Nations 2005). Key findings for developed countries included:

- The growth of lone person households – one in seven older people live alone, and the majority are women
- A widespread trend towards independent living, either alone or with a spouse only
- High rates of institutionalisation, now reversing in some countries
- A low rate of co-residence with children.

For the Australian population as a whole, current household projections point to a continuing decline in average household size, linked to continuing growth of one and two person households. Much (though not all) of this trend is a product of growth in the aged population, among whom living arrangements mirror the UN observations listed above. Within the older population, however, it is intriguing to note that the projections cited here foreshadow very little change in the composition of households over the next two decades. The population of aged, and the number of households will rise rapidly; but the proportions of lone person, couple and other household types is not projected to alter greatly by 2026 (Table 15). In a similar way, our projections of low-income renter households show significant growth, mainly of lone person and couple only households, but the proportions of each remain relatively stable. On the projections presented here, older age, low-income renters are projected to increase from 195,000 in 2001 to approximately 420,000 in 2026, with most of this growth projected to take place among couple families without children and lone person households. However, this is roughly proportionate to the growth of older Australians so that the percentage of low-income renters remains relatively stable at 8.2 per cent.

This stability evident in the composition of older age households is partly because the projections have been confined to a 25 year time horizon, whereas the most significant growth of the oldest population (aged 85+) does not gather pace until after 2030. However, it is also a product of relatively conservative assumptions about future trends in living arrangements, based largely on relatively short-term, historic trends. These in turn reflect prevailing economic circumstances, personal affluence, social mores and policy settings – for instance with respect to aged care facilities. Household forecasting is not well developed in Australia, current projections are relatively simplistic, and it would be prudent to explore alternative assumptions and pursue systematic sensitivity testing to provide a basis for robust, evidence-based policy. At the same time, it is important to recognise that policy itself may alter living arrangements, for example by facilitating dual occupancy, or through income support, with consequences for household formation and housing demand.

Analysis of historical trends in aged housing, and in the living arrangements of older people is seriously prejudiced by frequent changes in definition and classification at sequential Censuses, making reliable time series comparisons difficult to achieve. The basis on which data have been assembled is rarely made sufficiently clear in much published work in the field. With a clear focus on renters, the current report has endeavoured to overcome common ambiguities and establish a clear profile of the households and living arrangements of older people. Key findings include:

- An age profile similar to owner-occupiers, but significantly younger than those living in age care facilities
- A marginally higher proportion of females
- More single person households
- More low-income groups, and a greater dependence on government pensions and benefits
- An over-representation of overseas-born.

We have also identified differences between public and private rental tenants, the former displaying an older age profile, more women and single persons, and lower incomes. Thus the features that characterise aged rental households overall are accentuated among those renting from public landlords. The geographic location of low-income renters was also significant, with the largest concentrations of low-income renters in capital cities.

In the context of this report, a more significant concern is that the categories of housing and tenure recognised in standard statistical collections no longer capture the diversity of housing circumstances that have emerged in the housing market over the past decade or more. As indicated earlier, it is unclear how some newly emerging categories of aged accommodation are being classified in the Census. Conversely, some ABS categories, such as the non-private dwelling type *accommodation for the aged (cared)*, appear to encompass a range of accommodation types, forms of living arrangement and tenure categories. Considerable ambiguities arise, not only in interpretation of the data, but in the application of these categories in field classification, especially where a site contains multiple forms of tenure and personal support (communal meals, etc). Equally challenging, is the task of understanding the tenure circumstances of that group of older Australians who reside as “other members” of households, rather than as householders in their own right. Since these various categories of accommodation and living arrangement seem likely to increase in the future, a strong argument can be made that policy initiatives to address the rental circumstances of older Australians should be accompanied by a concerted attempt to develop a more refined and reliable statistical basis on which such initiatives can be formulated.

3 DEMAND FACTORS: CONSUMER NEEDS AND PREFERENCES

3.1 Introduction

Consumer views, experiences and interests are central to developing a comprehensive understanding of rental housing provision for low-income older people. This chapter explores consumer perspectives on rental housing. The first part of the chapter summarises the findings of a literature review of British, North American and Australian consumer studies of older people in a variety of housing and rental housing situations. This provides the conceptual context for the second part of the chapter, which reports the findings of a series of focus groups and interviews with 130 older people in a variety of rental situations in Australia. This qualitative study seeks to extend current understanding of the expressed housing needs, preferences and choices of low-income older Australians living in a range of rental housing types and tenures. Thus the chapter provides both a review of what is already known about what older people value about rental housing, and new data on the experiences and preferences of older renters in particular types of rental tenure, in particular rental housing types and in particular population groups.

3.2 Housing and older people

3.2.1 The importance of housing to older people

The importance of housing to 'ageing well' is widely acknowledged. For example, the National Strategy for an Ageing Australia (Andrews 2002) emphasised that access to affordable and suitable housing is a key priority as the population ages. For many older people, housing provides security and independence, a valuable asset in later life, proximity to friends and familiar places, access to services, and a site for the delivery of services. Housing is an important resource for older people, as well as being a symbol of independence (Day 1985; O'Bryant 1987) and a link with personal history and identity (Davison, Kendig, Stephens and Merrill 1993; Rubenstein 1989). It can be argued that at a general level the housing needs of older people are similar to those of all other Australians – access to affordable and well designed housing which is part of a safe and secure environment, well located in relation to services and suitable to their life stage (COTA 1990, 2).

It follows that the lack of suitable housing can be a major difficulty for people as they age. Housing can be a financial liability for some older people as a result of high maintenance and other costs. Poorly designed and difficult to adapt housing can be a barrier to independent living for an older person with a disability. Housing that is poorly located can result in separation from services and social support networks. Changes in neighbourhoods can leave older people feeling unsafe and isolated (Noad 1999).

A major economic divide among older Australians is between the large majority in home ownership and those in private rental housing (Howe 2003). Public policies towards older people in Australia assume and rely on high levels of home ownership to underpin older people's well-being. Community care policies designed to support people as they age assume older people have a stable home in which such care can be delivered (Faulkner 2001). Home ownership is widely viewed as an asset to fund lifestyle, accommodation and care choices in later life, and underpins policy support for self-funded retirement, and user pay arrangements for residential and community services. Older home owners experience competing pressures to use their housing assets to provide for intergenerational transfers, long term health and accommodation

costs, and adequate financing of retirement (Tilse, Setterlund, Wilson and Rosenman 2005).

The assumption of home ownership as a key asset to facilitate choices in later life can obscure the limited choices and preferences available to older people with limited income who are not home owners. The well-being of older people is often explained in terms of the balance between autonomy and security (Parmelee & Lawton 1990), and in terms of power over the environment and connection with others (Gattuso 1996). It can be argued that older people in rental housing are often vulnerable in these fundamental areas. Insecure tenure in rental accommodation can prevent environments being adapted to the changing needs of older people, disrupt links within established networks, and threaten autonomy and security. Low-income older renters are less likely than home owners to have control and choice over their living environments, are more likely to have insecurity of tenure, and are more vulnerable to social isolation. Understanding the housing needs of older, low-income Australians who rent is therefore of particular significance in the context of the policy objective of enduring that older people have the opportunity to 'age well'.

3.2.2 What attributes of housing do older people value?

Consumer studies indicate that despite considerable diversity in the needs, resources and aspirations of older people, some attributes are consistently valued across all housing types and tenures. Studies of residential park residents (Beckwith 1998; Connor and Ferns 2002), residents of retirement villages (Gardner 1994; Jones, Tilse and Coleman 2001; Stimson and Starr 2001), home owners (Askham, Nelson, Tinker and Hancock 1999), public housing tenants (Dennis 2002), and inner-city rooming house residents (Davidson, Phibbs and Cox 1998; Queensland Shelter 1997; Russell 2002) identify affordability, security of tenure, quality of amenities, independence, location and suitability to needs and interests as key attributes associated with satisfaction with housing. Table 18 summarises these key attributes based on a review of consumer studies across a wide range of housing types and tenures (for more detail see Jones, Bell, Tilse and Earl 2004).

These factors have been shown to be influential in housing decisions in later life. Older people are one of the least mobile population groups. However, North American, British and Australian studies of older people (Hallman and Joseph 1997; Tinker 1997; Kupke 2000; Stimson and Starr 2001) suggest older people who do choose to move often seek small-scale, purpose-built accommodation with support services available, located in familiar environments, close to facilities and transport. Older people seek to preserve independence, to avoid isolation and risk, to maximise safety from crime, and to achieve secure tenure (Macaffer 2002; Noad 1999). They seek low maintenance housing, that will continue to be affordable, that allows some control over costs and outgoings, and that has space for possessions, hobbies and visitors (Askham et. al. 1999; Noad 1999). Participation in housing management appears to be of less significance than these other factors. A recent Canadian study (Althus and Matthews 2002) comparing satisfaction of rural seniors in housing cooperatives and congregate apartments concluded "ownership and managerial control are not necessary for seniors to be satisfied and reap benefits from their housing".

Table 18: Key attributes of housing valued by older people

Key attribute	Dimensions
Independence	Living separate from family, having control over daily routines
Privacy and autonomy	Access to and control over private space, freedom from restrictions on lifestyle
Affordability	Concerns about current costs and controlling future costs (e.g. maintenance)
Security of tenure	Staying in a familiar environment. Lack of mobility and low income can make it difficult to retain old ties if relocated
Safety	Personal safety within the housing unit (e.g. on-call emergency buttons, lockable doors, a village configuration) and feeling safe within the neighbourhood
Adaptability for future care	Appropriate physical environments to compensate for sensory and mobility changes, limited housework, maintenance and gardening
Location	Familiarity and convenience, access to services (health, medical, post offices, recreation, retail, transport), proximity to families or other social and cultural ties, integration with locality
Suitability	Includes life course stage, social and cultural factors, abilities and disabilities, preferred lifestyle
Companionship and avoiding isolation	Sociability and companionship – linked with gender and bereavement, social and recreational opportunities, a sense of community and social participation
Size	Small scale, home like environments are consistently valued
Amenity and space	Good design that meets physical, emotional and social needs and provides for both privacy and social contact. Space for possessions, hobbies and visitors. Personalised spaces - territory

3.2.3 Diversity and housing for older people

Older people are a heterogeneous group with diverse housing needs and preferences arising from life experiences and opportunities, cultural and social factors, life stage and lifestyle (Kendig 2000). Older people also vary in income and assets as financial resources reflect the opportunities and constraints of earlier life stages. In addition, the housing needs of older people alter with changes in family structure, health, abilities and living environments. Gender is also a key factor. Women are more likely to live to advanced old age and this brings with it an increased likelihood of disability and widowhood. The diversity of older people and varying needs across the life course indicate that what is required is a range of housing types that respond to lifestyle and social and cultural factors, varying income levels and varying abilities (Gnaedinger 1999).

The theoretical literature suggests it is the person–environment fit that determines the appropriateness of housing for an older person, and that the characteristics of that fit will change over time (Parmelee and Lawton 1990). Changes in life circumstances resulting from widowhood, disability, declining health and isolation have been associated with moving to environments that address social, safety and support needs by providing companionship, supportive services and assistance with tasks of daily living. High levels of disability in late older age combined with policies that focus on support within the community highlight the need for housing options appropriate to people with a range of disabilities. This includes the need to adapt current housing, to provide appropriate support to facilitate ageing in place, and to increase the range of housing options available that combine housing and some level of supportive service.

Life course changes associated with older age such as widowhood, disability and frailty also suggest a need for a range of housing options. These include self-contained living, supportive environments providing some level of companionship, practical support and assistance with daily living, and facilities that combine health care, personal care and accommodation. The limitations of advanced old age can also be addressed through environmental changes resulting from good planning and supportive environments that enhance access to shops, transport and services (Kendig 2000).

The literature identifies a developing range of age-specific housing that addresses needs in relation to safety, companionship and assistance with daily living by combining housing with the provision of non-health care services. Retirement villages have addressed issues of safety and companionship through the provision of village-type housing. An emerging housing type is age-specific housing that includes the provision of meals, laundry and some personal support services. This form of housing is variously described as enriched housing, sheltered housing, congregate or shared housing, supportive housing, assisted-living and intermediate housing (Frank 2001; Monk and Kaye 1991; Young 1998). The initiatives includes cluster housing, village-type communities with some services included, housing with on-site managers/warden/housekeepers, housing that includes the provision of meals, laundry and personal support services, co-housing arrangements, housing co-ordinators to link services and support in multi-unit apartments, buildings refitted to include senior centres and recreation programs, or tying clusters of buildings to support staff rather than individuals (COTA 1990; Pastalan 1997; Social Options Australia 1996). A Canadian study has suggested that small family style housing cooperatives, congregate apartments and Abbeyfield housing are promising alternatives for rural older people where there are few options for the limited number of older people requiring supportive housing (Altus and Mathews 2002). A Queensland consumer study (Noad 1999) has also suggested that Abbeyfield housing provides a useful alternative in rural areas where older people wish to stay within local communities but do not have access to a range of supportive housing.

Older Indigenous people are much more likely to be renters than non-Indigenous older people (Focus 2000). However, their housing needs and experiences have received limited attention in the research literature. Recent case studies across several States (Focus 2000) identified rental market failure in relation to Indigenous households, little choice in location, and concerns about affordability, access and discrimination, poor quality and overcrowding. The case studies suggest that assumptions of a conventional life cycle of housing do not apply to Indigenous households. Feedback from Indigenous public housing tenants has also reported cultural inappropriateness in rules regarding visitors (Dennis 2002).

3.2.4 Rental housing options for lower-income older people

Income and home ownership are key factors in accessing a range of housing options. Home owners generally have resources to provide a degree of choice of housing types suited to their needs and preferences, or to enable them to plan for future life stage transitions (Gardner 1994). Recent research (Kupke 2000; Stimson and Starr 2001) suggests lower-income people move into retirement villages because of life stage transitions and that their primary concern is to obtain housing appropriate to their new circumstances. Those on low incomes with limited assets, such as many non-home owners, are likely to have a reduced capacity to find housing that addresses the attributes listed in Table 18. Some compromises generally have to be made in terms of location, security of tenure, amenity or safety. Russell, Hill and Bassler (1996) have observed that those most disadvantaged, such as inner-city

rooming and boarding house residents, are also limited by their perceptions of what choices are available.

As outlined in chapter one, options available to low-income older people in Australia include: public housing, private sector rental, rental retirement complexes, emerging forms of supportive rental housing aimed specifically at the older population such as assisted-living rental villages, small-scale communal housing such as Abbeyfield housing, other community sector housing including housing co-operatives, residential parks, boarding/rooming houses and living with families with some form of shared living or granny flat arrangement (Australian Department of Family and Community Services 2002; COTA 1990).

Although the research literature on housing and older people has generally focused on either home owners or those in residential care facilities, in the last decade there has been an increased interest in the experiences of older people across the range of housing types and tenures. There is a developing understanding of housing issues for older people as residential park residents (Beckwith 1998; Wensing and Wood 2002), retirement village residents (Kupke 2000; Stimson and Starr 2001), and public housing tenants (Dennis 2002; Leveratt 1999). Some attention has also been given to marginalised groups of older people living in boarding houses or insecure accommodation in the inner-city (Davidson, Phibbs and Cox 1998; Kavanagh 1997).

Consumer studies (e.g. Dennis 2002; Earle 1980; Leveratt 1999) suggest that public housing tenants generally view their housing positively in terms of affordability, security of tenure and independence from family. Lack of choice in location, size of units, pressure to move as family constellation changes, transience of neighbours, and cultural appropriateness have been raised as concerns. The consumer literature on private sector rental has paid only limited attention to older people. Some of the advantages for private renters in general have been identified as flexibility, choice, non-bureaucratic management and fewer entry hurdles than in public housing (e.g. Burke 2002; Queensland Department of Housing 2001). Disadvantages are related to limited control over quality of housing, insecure tenure, affordability problems, and little freedom to alter housing to suit individual needs (Leveratt 1999; Noad 1999; Queensland Department of Housing 2001). In relation to low-income private tenants, studies in both Australia and the United Kingdom have raised concerns about the lack of regulation of housing quality in the private sector, limited choice, and harassment and abuse (Carlton, Heywood, Izuhara, Pannell, Fear and Means 2003; Izuhara and Heywood 2003).

Residential park living meets the needs of some older people in relation to affordability, companionship, safety, support, flexibility and access to desirable locations, minimal housework and maintenance (Beckwith 1998; Connor and Ferns 2002; Faulkner 2001; Purdon 1994). Limitations identified relate to suitability to the changing needs of older people, insecure tenure and locational disadvantage. Boarding and rooming houses provide housing for low-income older people who have attachment to and networks within inner-city locations (Kavanagh 1997; Queensland Shelter 1997; Russell 2002). Familiar and convenient location, autonomy and freedom from restrictions on lifestyle, flexibility, companionship, access to services within walking distance and affordability are attributes valued by residents. Cleanliness, suitability, legal protection in relation to security of tenure, personal safety particularly for women, lack of privacy and noise have been raised as concerns (Davidson, Phibbs and Cox 1998; Leveratt 1999; Queensland Shelter 1997).

Older people in the private rental market are particularly vulnerable with both affordability and accessibility declining in recent years as a result of inner-city redevelopment, high land values and tourism which have reduced the supply of low cost rental housing, inner-city boarding houses and coastal residential parks (Leveratt

1999; Wulff and Yates 2001). Low-income older people in the private rental market are also identified as a vulnerable group in relation to housing stress (Edwards 1993). Rental retirement villages and complexes provide safety, amenities and companionship and are widely viewed as a flexible and affordable form of housing (Jones, Tilse and Coleman 2001; Stimson and Starr 2001). Disadvantages of rental retirement villages are generally linked to the amenity of the units, the scale of the village, the accessibility of the location and concerns about pets and communal living (Jones, Tilse and Coleman 2001; Manicaros and Stimson 1999).

An emerging housing type is the assisted-living village or communal house that provides assistance with daily living in addition to housing. Askham and colleagues (Askham et. al. 1999; also Tinker 1997a) report that sheltered housing arrangements in the UK have been valued for companionship, living with other older people, and support. Problems arise in relation to poor locations, high levels of dependency of tenants, and conflict over the use of communal activities. Communal housing or cluster housing varies in sponsor and structure. In Australia, two emerging forms are private sector assisted-living villages and community-based communal housing arrangements such as Abbeyfield housing. There is currently little Australian research in relation to consumers in these housing types. The advantages are generally viewed as safety, companionship, and some level of support with daily living such as the provision of meals, laundry and on-site management. For private sector villages there are concerns around regulation and tenant protection, scale and institutional environments, quality of support offered, and high levels of rent which may leave residents with insufficient money for social participation and housing mobility (Queensland Shelter 2002). Abbeyfield housing is small-scale communal housing based on an international model that combines communal support and independence (Dunster 1986). A Canadian study (Hallman and Joseph 1997) suggests that Abbeyfield housing is valued for the support offered, companionship and small scale home-like environments. Disadvantages reported are that little or no provision is made for couples, and that some older people prefer not to live in mixed-sex or age-specific accommodation.

Family-provided housing such as granny flats provides low cost housing for low-income older people, and has the potential to combine care, support and housing. However, there are limitations in that it does not fit with the independence from families preferred by most older people, it can lack flexibility, and it can provide limited protection to older people in terms of tenancy arrangements (Brookes 1991; Setterlund, Tilse and Wilson 1999).

Community and cooperative housing provides greater opportunity for tenants to be involved in housing management. Although one study (Swinburne 1990) has suggested that this is a promising alternative for older people and is valued by some groups, participatory management does not currently emerge as a strong preference of older people in the consumer research literature.

Table 19 provides an overview derived from the literature review of the issues and concerns across housing options for non-home owning older Australians. Key issues that arise for older people in this range of housing are: security of tenure that ensures access to familiar environments and networks, safety, companionship, independence, appropriate locations, autonomy, quality, suitability, cost and availability.

Table 19: Housing options for non-home owning older Australians

Housing type/ tenure	Attributes valued by consumers	Key issues and concerns
Public rental housing	Affordability, security of tenure, stability, independence from family, faith in government as a landlord	Transience of neighbours, may have to move when living alone, lack of choice in location and amenities, intrusions on privacy, cultural inappropriateness in rules about notifying of visitors, size, maintenance issues for some.
Private sector rental housing	Flexibility, independence from family, choice	Lack security of tenure, cost, limited availability due to reduced supply, poor quality or unsuitable for older person, lack of choice in location and amenities, harassment and discrimination
Rental retirement villages	Affordability, independence, flexibility, companionship, security and safety, sense of community, same age range, ease of leaving (no buying in costs), comfort	Undesirable locations which lack access to facilities, not adaptable to disability, poor design can limit privacy, scale of village, size of units, ability to keep pets, village living not suitable for all people
Assisted-living rental villages	Combines housing and support, safety, companionship, limited knowledge of some emerging types	Concerns about tenant protections, quality of environments and support offered, undesirable locations, cost
Small-scale communal housing e.g. Abbeyfield	Small, homelike, participation in management, safety, companionship, security	Communal living not suitable for all, mixed gender living not suitable for all
Residential park living	Affordability, sense of community, limited housework and gardening, companionship, security and mutual support, desirable locations, varied age range	Closure of parks or replacement by tourism, loss of networks and community, insecure tenure, undesirable locations, not adaptable for high levels of disability, transience of neighbours
Boarding houses/rooming houses	Attachment to inner-city locations and networks, familiar environments, freedom	Scarcity, can be unsafe, noise, restrictions on lifestyle preferences
Family-provided housing	Safety, companionship and support, cost	Majority of older people seek to live independent from family, not all older people have families, limited protection

3.3 Consumer views of rental options

3.3.1 Overview of the consumer study

In Australia, national surveys and small qualitative studies have provided broad-based overviews and in-depth understandings of the perspectives of diverse groups of older people on their housing. Studies have generally focused either on a particular housing type (e.g. residential parks, retirement villages), housing tenure (e.g. public housing), or population groups (e.g. inner-city residents). The review of existing consumer studies in section 3.2 identified a number of gaps in knowledge relating to the housing needs, experiences and preferences of older people who rent. In particular these gaps relate to:

- Older people in age-specific or emerging housing types that include some level of assisted-living as part of housing;
- Older people in rental retirement complexes;
- Older people in the private rental market;
- Older people as public housing tenants;
- Indigenous older people;
- Older people in rural areas;
- Older people who are at risk of homelessness or have a history of more marginal attachment to housing.

This consumer study aims to deepen understanding of housing issues in relation to these specific areas. The purposive sampling strategy included consumers in these particular rental housing types, tenures or population groups. Focus groups and individual interviews were conducted with 130 older people from the housing tenures, types and groups listed in Table 20. Thirteen focus groups and thirty-two individual interviews included participants across two States and in inner-city, outer suburban, regional and outer regional locations. Questions were based on the attributes of housing valued by older people summarised in Table 18 and the key issues and concerns identified in Table 19.

As the focus of the study was on older people who are renting, the sampling strategy excluded older owner/occupiers and older people resident in aged care facilities. Older people residing in crisis accommodation were also excluded. Although 'granny flat' and similar arrangements raise important issues in relation to legal protections and financial abuse (Setterlund, Tilse and Wilson 1999) this type of housing arrangement was also excluded, on the grounds that these arrangements raise distinctive issues that warrant a separate study.

Participants for the purposive sample were recruited through a number of avenues, including random selection from a geographical area of the SHA data-base, liaison with appropriate community based service providers or peak advocacy organisations (e.g. Home Assist Secure; Community Housing Resource Worker Program, Australian Pensioners and Superannuants League), liaison with private and community sector older persons housing providers, and by word of mouth.

An introductory meeting was held with housing managers where applicable to describe the research and consultation process. The research team provided the relevant material - Information Sheet, Participant Response Form, Consent Form - to the participating agency for distribution. Focus group recruitment occurred when individuals returned the Participant Response Form directly to the research team. In some cases, a short article was distributed to members of an older persons' consumer

group through the newsletter and leaflets were placed in an aged persons' magazine and distributed across local council libraries. Some recruitment information was also distributed through real estate agents.

The primary data collection method was focus groups with the option of an interview for older people who did not wish to be part of a group discussion or were unable to attend a focus group meeting. Focus groups comprised from four to twelve older people with a group facilitator and a note-taker/observer. Care was taken to have the focus group discussions in the absence of any management participants so that people would feel free to express a range of views. Sessions and interviews were audio-taped, fully transcribed and entered and coded in NVivo. The qualitative analysis explored the main themes and issues within and across groups to extend current understanding of the needs, preferences and experiences of older people who rent.

A number of tables providing details of the sample of participants is provided in Appendix 2. Participants were recruited as people currently renting and aged over 65 years, or over 50 years in the Indigenous groups and groups vulnerable to homelessness. Of the 130 participants, two-thirds were women and 77 per cent were living alone. The age range was 52 to 93 with a mean and median age of 72 years. Most participants (70 per cent) had the age pension as their only source of income. The remainder had veteran/war pensions, disability support pensions, and a mix of pensions and/or superannuation payments or pensions and family payments. Average fortnightly rental payments varied from \$130 - \$480 dollars with the lowest average rent paid in Indigenous housing and public housing, and the highest rents in assisted-living villages where the provision of meals was incorporated in the fortnightly charge.

Thirty one (24 per cent) participants had moved directly from home ownership to their current rental accommodation. The trend among this group was to move from home ownership to the assisted-living villages or community housing particularly in rural areas. Eighty-three (64 per cent) participants reported that they had owned a home at some stage of their lives. For most it had not been their tenure immediately prior to moving into their current housing. Co-operative housing tenants (all six had previously owned their own home), some boarding house tenants, and private rental tenants (6 of 8) were most likely to be in this group. This suggests that many older renters are not life-long renters and that some older people fall out of, or elect out of, home ownership into rental housing at some stage of their lives. Several groups had low rates of prior home ownership. These included older Aboriginal and Torres Strait Islander people, public housing tenants, and residents of housing targeting groups at risk of homelessness.

In the sample group, 88 per cent of participants reported that they were satisfied or very satisfied with their current housing. This may partially reflect sampling bias with the most satisfied being more likely to volunteer to talk about their housing. It should be noted that the analysis in this chapter applies only to the participants in the study, who were chosen through a purposive, not a representative, sample. The value of the study lies in the insights available into the perspective of this diverse group of older people on their housing needs, experiences and preferences.

Table 20: Overview of purposive sample for the consumer studies

Target groups	Sample and site	Participant numbers N=130
<i>Specific tenures</i>		
• Public housing	Housing commission area in a capital city	18
• Private rental housing	Tenants in houses, flats and units in two cities	11
• Co-operative housing	Tenants in a co-operative in a coastal city	6
<i>Age-specific housing</i>		
• Assisted-living villages	3 sites – a coastal, an urban fringe and a city site. Two private sector companies	28
• Abbeyfield housing	1 house in a small regional town	9
• Rental retirement complexes	6 sites all provided by a not-for-profit group– 3 in a resort coast town, 3 in an inner-city area. Some high rise, some small scale, some village-type	9
<i>Population groups</i>		
• Older Indigenous people	Aboriginal public housing, community group providing housing for Indigenous people	20
• Older people in rural areas	2 community housing sites in one inland regional town and one small rural community	8
• Older people at risk of homelessness	2 capital cities – covering 7 housing sites (3 boarding houses, 3 housing with some support provided, one bed-sit)	21

3.4 Rental housing options for older people: specific tenures

The sample included a wide mixture of tenure types and auspice. In this section, however, tenure type is only reported when it emerged as a prime attribute in consumer views of their housing. The nature of tenure was a key attribute for participants in public housing, private rental and a community-based co-operative.

3.4.1 Public rental housing

Public housing tenants were drawn from a middle ring suburb of a capital city. Public housing was provided in small enclaves with a mixture of older detached houses, units, age-specific Senior's units, and purpose-built disability access units. Public housing provided specifically for Indigenous people is discussed separately in section 3.6.1.

In the sample, public housing tenants were predominantly women, living alone and in the 65-84 age groupings. They had high levels of age pension-only income, and had moved into their public housing from other public housing, private rental or living with family. They were also paying some of the lowest rents of participants in the consumer study (Appendix 2).

Public housing tenants were generally very satisfied with their housing. The most highly valued attributes were affordability, no maintenance or other costs such as

rates, security of tenure, an accessible location, good design and amenities such as lock-up garages, a pleasant neighbourhood, privacy and independence, and proximity to families.

For some, a long history in public housing gave particular meaning to their current housing:

We've reared five children there and been very happy. And they've been very, very good to me.

A lot of your memories are here, bringing up your family.

Some had grown old in public housing. Others had moved more recently to purpose-built public housing for older people. For this group, the suitability of the housing, good amenities, and belief that future modifications would be available if needed, were the attributes most commonly valued.

Disadvantages reported were the small size of some of the older units, the nature of the social mix and neighbours, the size of some of the complexes, poor responses to maintenance issues, the lack of floor covering, and inconsistencies in maintenance policies and practices. A lack of choice in housing allocation was reported as a major disadvantage. Although all valued privacy and independence, the lack of common areas and village-type amenities such as a games room were reported by some as a limitation.

Some participants expressed concerns that future policy changes could threaten their tenure and expressed fears that decisions could be made that were not in their best interests. A key issue was appropriate location and design for older people given the lack of choice in housing allocation. The nature of the relationship with the SHA was also identified as an important issue with respect to sharing of information, clearly articulated rules, and openness to communication from tenants. The limited range of housing options such as rental villages or housing linked to communal facilities within public housing was identified as a limitation of current provision.

3.4.2 Private sector rental housing

In this context, private rental housing primarily comprises houses, flats and units available generally for rental in the community, rather than housing specifically targeting older people such as rental retirement villages. Private tenants in the sample were predominantly women, living alone and paying relatively high rents. Two-thirds were on age pension-only incomes. Tenants were primarily in the 65-84 age grouping. They had moved into their current housing primarily from other private rental arrangements.

Private rental housing tenants had the highest levels of dissatisfaction with housing of any group in the sample, although a number were very satisfied. Some suggested that they had to be satisfied as they had little choice or had low expectations - *I could live anywhere*. The most highly valued characteristics were independence and the capacity to choose housing attributes and location - *a high oven for my back, big enough for our computers and for our son to visit*. A number reported negative experiences with public housing in relation to choice of housing, or location, or the manner in which they had been dealt with by public housing staff. For one couple, the social presentation of living in modern housing in an ordinary suburb was important.

The major disadvantages reported were a lack of security of tenure, affordability, the cost of moving, and dealing with property agents.

Insecurities because it is somebody else's house, and if they sell...

...worry about having to shift again

Every time you move it costs money.

What appeared to be distinctive about this type of tenure is the feeling of lack of control over housing choice and location. Key issues for this group are affordability, insecure tenure and supply. The lack of affordable housing in appropriate locations limits choice. The limited ability to plan for future needs, lack of protection from landlords, and the restricted availability of private rental housing stock suited to the needs of older people were significant concerns. The most negative experiences of housing were reported within this group. A case study exemplifies some of the major issues.

Nancy and Ted moved from a coastal town where they had high quality rental housing after being encouraged by family members to move into the city to be closer to the family. Their rental property, while affordable and well located, was very poorly maintained. The house had termites, guttering was rusted and the internal paint was old and patchy. Recent work to fix a problem was unfinished. Nancy was reluctant to move despite the condition of the house due to her age and deteriorating eyesight. She had undergone orientation training in using a walking cane in the current house and was reluctant to move as it also involved further training in a new environment. The couple felt the owners were exploiting them and believed they had claimed a rebate or discount on grab rails and a security alarm system, both installed and paid for by the tenants. Their children rarely visit or make contact.

3.4.3 Co-operative housing

Co-operative housing is managed by the tenants who are themselves an incorporated body responsible for the financial, tenancy and property management of the housing. In the case of the cooperative included in this study, the housing comprised a mix of housing types – detached and duplex houses – in various suburban locations in a coastal resort city. The co-operative did not specifically target older people.

In the sample, members of the cooperative were highly likely to be women but less likely than most groups to be living alone. Some had partners; one had responsibility for a grandchild. All were on age pension-only incomes and were primarily in the 65-74 age grouping. Most had moved to the cooperative from private rental. All expressed satisfied with their housing.

Co-operative housing was valued for the particular nature of the tenure as well as the attributes of the housing. Some participants spoke of the personal development gained from participation in the co-operative, the opportunity to use skills for the benefit of the group, and the self esteem associated with membership. The sense of community, membership, sharing common goals and the support offered by other members were also highly valued. This was particularly noticeable in planning for the future.

... the co-op has formed a policy on ageing. Because we are all getting old.

It's a very comforting feeling to know that there's a body of people around you with this common concern.

Affordability, freedom of choice, the mix of household types, the quality of the housing, safety, maintenance, security of tenure and the lack of stigma associated with public housing were viewed as advantages. The sense of community that also allowed for privacy and private space was also an important asset.

Cooperative housing had a number of perceived disadvantages specific to this type of tenure. Participants identified the level of commitment and time required to manage the housing as onerous. Having to fit in with people, deal with inter-personal issues and meet accountability requirements linked to funding of this form of tenancy were listed as problems.

Leadership is not on my agenda, I prefer to be in the background

A number reported the first few months of attending meetings or contributing to committees as a bit *overwhelming* or *daunting* but agreed that – *it's a small price to pay for what you get.*

There were also some concerns about the quality and location of some of the houses. For example, duplexes were reportedly too close and there was limited access to public transport in some sites. Cost was a factor. Although more affordable than private rental housing, most members reported that they had given up some social activities and other financial commitments such as contents insurance to fund the rental. They feared rent rises would impact on their capacity to participate in leisure activities. An emerging issue is the suitability of the housing for future care needs. The co-operative was not specifically set up for older people and the housing is not necessarily suitable. Participation in management could also become more onerous as members age.

Table 21: Summary of residents' views on specific tenures

Housing – specific tenures	Attributes valued	Disadvantages	Issues
Public housing	Affordability Security of tenure Amenity and suitability Location Maintenance	Maintenance Lack of choice Relationship with the Department of Housing Social mix	Suitability for older people given lack of choice Relations with government No access to communal facilities
Private rental	Choice in housing and location Independence Housing suitability No stigma	Affordability No security of tenure Cost of moving	Limited supply Future planning Suitability for changing needs Affordability
Housing co-operatives	Choice Affordability Independence Participation and control Sense of community Security of tenure Mix of housing types No stigma	Participation in management Affordability	Limited supply. Suitability for ageing in place Participation requirements

3.4.4 Summary of specific tenures

Table 21 provides a summary of consumer views on specific tenures. Participants viewed public housing as offering security of tenure and affordability at the cost of lack of choice, delays in maintenance and the need to deal with a large organisation. Private rental was viewed as offering choice and independence at the cost of insecurity of tenure and high rentals. Co-operatives were viewed as offering

opportunities for control and participation in management and choice at the cost of the obligations involved of having to engage with others.

3.5 Rental housing options for older people: emerging and distinctive housing types

A range of housing types specifically target older people and offer a mix of services and/or support in some type of village or communal living arrangement. Three types of age-specific housing are discussed in this section:

1. Not-for-profit 'rental retirement complexes' – independent living within a village or apartment type complex
2. Private sector 'assisted-living villages' – independent housing in a village complex with meals provided in a central dining room and on-site live-in managers
3. Abbeyfield housing – small-scale bed/sitting rooms with live-in housekeepers and meals provided in a group living situation.

Residents' views concerning these housing types are summarised in Table 22 and discussed below.

3.5.1 Rental retirement complexes

Rental retirement complexes offer unfurnished, self-contained units, some with communal laundry facilities. Minor building and gardening maintenance is provided. There is no live-in manager and no care or personal services attached. Rental fees are income and asset tested.

Five age-specific retirement complexes were included in the sample. Although all complexes had the same not-for-profit group as an auspice, there were distinct differences in the nature and quality of the complexes in which participants lived. Some complexes were around 40 years old while others were built in the last four years. Some were high-rise, others were in a village-type arrangement or in a small group of units located in a suburb. There was also a significant contrast in the two locations where the complexes were situated. One location was inner-city while the other was a regional coastal town. As a result there were very different experiences of this housing type, in relation to both unit and complex design.

This diverse group of age-specific housing included an inner-city apartment complex, built originally with Commonwealth Independent Living Unit funding, and including both purchasers and renters; a small inner-city rental complex; and three types of housing provided in a coastal resort community. The latter comprised a small cluster of units and a group of housing types in a campus arrangement surrounding a local church. This campus arrangement included living units designed for low-income older people and retirement village housing that was open to purchase or rental. An aged care facility was also planned. None of the complexes had live-in managers or provided meals or laundry services. Unlike many retirement villages, the complexes located at the regional coastal location did not have a communal facility. There was a recently built church hall, however, that was open for social functions and used by some residents.

Table 22: Summary of residents' views on distinctive and emerging housing types

Housing - distinctive and emerging types	Attributes valued	Disadvantages	Key issues
Rental Retirement complexes	Suitability for older people Security of tenure Affordability Independence with companionship Location Social mix	Suitability for older people Maintenance Size and storage space Location Security of tenure Limited privacy	Age and suitability of buildings Location Transport in coastal town Security of inner-city tenure Waiting lists
Assisted-living villages	Services offered Maintenance Independence with companionship Safety and security On site management Quality of housing Suitability for older people Location Communal facilities Social mix	Affordability Choice and flexibility Quality of services offered Quality of on-site managers Location Storage	Affordability Age span and future care needs Conflict over level of care provided vs leisure/lifestyle option
Abbeyfield housing	Services provided Suitability for older people Independence Safety/ companionship Location Affordability Small size Room for visitors On site management Quality of the amenities	Tensions of communal living Quality of on site housekeeper Conflict between care and independence Location Storage	Quality of on-site housekeeper Managing communal tensions Transport in country town

Residents came from a range of previous housing experiences including living with family, retirement village living, private rental, and home ownership. The motivations for moving into a rental complex included to be closer to family, to be independent of family, to move from a property in a rural location, to adjust to retirement after the selling of a home, and to find more affordable housing after a health crisis had forced retirement and a consequent reduction in income. Participants were mainly women on age pension incomes. All participants lived alone.

Attributes valued across all complexes were affordability, independence and the sense of community within the complex. There was a view in most complexes that people looked out for each other although some tenants felt some of the responsibility to 'care' for other tenants fell to them because there was not a nurse on site.

Like [the] lady who lives [above] me. If I don't see light or something, or if I don't see her in the washing room I get worried and I knock [on] the door ... I should not have to do this. They should have a nurse for this.

Participants from the newer complexes valued a number of design features with units being described as *compact, functional, having a large bathroom, being at ground level, and suitably built for ageing people*. The complex included disability accessible units. Two complexes were valued for their natural setting. Tenants of the regional coastal location felt secure in their tenure *-it's a very nice feeling knowing that it's not a private place*. They appreciated living close to other older people while still being integrated within the suburb. Participants from the inner-city complexes valued the convenience of a location close to transport, shops and a range of services. They felt less secure in their tenancy than previously as redevelopment and gentrification had changed the nature of their suburb. They were aware other complexes belonging to the organisation had been sold and feared that high property values would result in their complex being sold in the near future.

Tenants in the regional coastal centre noted some issues of poor design such as the positioning of cupboards and hotplates and the lack of storage space. Tenants of all complexes commented on the lack of privacy associated with *paper-thin walls*. The lack of air conditioning was noted and some commented that a 'no pets allowed' policy was a disadvantage. Limited transport options were also noted as a disadvantage for tenants at the regional coastal location, particularly for those who were no longer driving.

Design and maintenance were issues with some tenants of the older complexes. This included reduced quality of the housing due to worn carpets and older fittings, poor response to maintenance requests, management labelling tenants 'a troublemaker' if they continue to complain, and short-cutting on major maintenance.

The older complexes were not wheelchair accessible and were not suitable for anyone using a walking aid. Small units and the presence of stairs, narrow doorways and passages created difficulties for such tenants. These units had an internal kitchen without much light, ventilation, bench space or room in which to work, and inadequate storage space. Tenants were not comfortable socialising at home and thought the cramped conditions were unsafe.

... now this was built specifically for ageing people and I don't think enough thought has been given to the design.

One of the men participating in the research lamented the lack of 'a space' such as a shed or workshop in which to do activities such as woodworking.

... all you can do is read and watch the television or whatever. And ah, a persons' at a loss, especially for men. Women have got more handicrafts possibly. But I haven't. I used to have a workshop myself ... I would love to have a space, yes.

Issues of safety were a significant disadvantage for some tenants in the older complex who felt the security of the complex was poor. The inner-city location of this housing contributed to several other disadvantages: high density living added to the level of noise such as loud music and barking dogs, and some tenants who may have wished to go out in the evening to socialise felt unsafe to do so.

There's no security as far as night time. If you wanted to go out for a drink or something you just can't. Unless you're in a taxi, and do it that way, it's not secure.

Key issues were transport in the regional location, security of tenure in the inner-city when property values are high, dealing with ageing buildings and/or housing design shortfalls, and concern about future care.

*... there's a lady next door to me. She's been in bed for three weeks. And I have phoned *****. Nobody's come near her. Or done anything to help her. She has one lady comes in and helps her for a couple of hours every second Tuesday. Yes. Well she's 80, 83 or 84, or something like that. But you know she's got to depend on me and the next-door neighbours. It's not always, we can't always do it. Yeah, when I phoned them up I couldn't get any sense. I want to know what's going to happen if I get ill like that? What's going to happen? Do I get any help?*

What happens if I get old, older and get sick?

In summary, there is considerable variation in this form of age-specific housing. In general, it was valued for the sense of safety, security and community, the quality of the amenities, the services available, and the appropriateness of the design. However, the level of satisfaction on these dimensions varied from site to site. Affordability, quality of services offered, location, the mix of services, lifestyle features, and the tensions associated with more community-based living are emerging issues.

3.5.2 Assisted-living rental villages

Three assisted-living villages were included in the sample of sites – one in a predominately public housing suburb of a capital city, one on the outskirts of a small city adjacent to a capital city, one in a coastal retirement area. Two private sector companies were represented. The villages offered fully furnished one-bedroom units, the provision of all meals, a weekly heavy linen service, access to a communal area where meals and other social activities were provided, and 24-hour on-call access to on-site management. Building and garden maintenance was provided. Residents paid 85 per cent of the age pension rate plus full rent assistance as rent. Costs were paid up-front for access to an emergency call button.

Most residents of the assisted-living villages had been home owners prior to moving. Others had lived in private rental, public housing or with families. Participants chose to move because of the unsuitability of their prior housing either because of concerns about their health and safety or a wish to be independent from family. Most saw it as their final home - *there's funeral parlour down the road* - although some were considering a further move because of concerns about affordability, a preference for more independent living, or to have more control over their financial resources. Some wanted to return to *my own little flat again* now that their health crisis had resolved.

If I had the cash I would move out now my health has improved. I can't afford to stay and I can't afford to move out.

Major motivations for moving into the villages were to obtain support and care or to seek lifestyle benefits. Some reported that the decision was strongly recommended by the local doctor or was made for them by adult children – *my daughter moved me in while I was recuperating from a serious illness*. Others moved following the death of a spouse or a separation. Some who had been in private rental reported moving because the property had been sold, they wished to avoid body corporate meetings and hassles, or they preferred to mix with *your own group* rather than live near young people. Another group, however, reported wanting to retire and not be concerned with cooking, maintenance and gardening. They were attracted to the *resort lifestyle*, the advantages of scaling down to something easy to maintain, and the financial

flexibility of not owning a home – *sell up home and not invest in bricks and mortar at our time of life.*

The provision of meals and heavy laundry and the lack of maintenance were highly valued – *you don't have to worry about doing anything for yourself.* Also valued were the quality of the housing, the privacy and control of an independent unit, the design suited to older people (bathroom rails, flat areas, paths, on-call buttons where available), the provision of furnishing, covered parking and, in one village, a pool and air conditioning – *it's like living in a resort.* A location providing easy access to transport, shops, health care and families was also a key attribute. The size of the units was generally valued for the limited amount of housework involved – *the leisure time we have* - although some reported difficulties with a lack of storage space and space for hobbies and interests.

Companionship was important for many. One man spoke of the importance of coming down to dinner each day as it gave him a reason to get up and to shower - *I don't need the food, it's the company.* Residents valued the combination of company and support with privacy and independence. Most reported a sense of assistance being available if needed such as help with setting up a VCR, sharing transport to the shops, or accompanying someone to the doctor. However, most also wanted to ensure that there was independence -

Sort of get the feeling that if you need someone there'd be someone there.

Without being thrown into a tight bunch where you simply can't get out of it even if you wanted to.

Safety, security and control were also important themes. Access to a call button or neighbours in the event of a health crisis, a fence around the village and security screens were highly valued. Autonomy and feeling in control over how they lived their lives were also important. Having *your own little unit*, the freedom to have overnight visitors and pets, the ability to leave under your own conditions, and to socialise or remain separate were important to a sense of autonomy. Good management and the quality of the food were seen as key factors impinging on the quality of life.

The disadvantages reported related to choice, flexibility, affordability, management, and location. Some complained of the limited choice of food and poor quality of meals provided in one village, the problems of adhering to a routine particularly around meal times, and the lack of flexibility in not being able to do one's own cooking. Some wished to be able to prepare some of their own meals – the cost of the rental and the limited cooking facilities in some of the villages made this very difficult. Some wished to do more gardening but were unable to.

meals in the evening are limited and frozen or a sandwich – pub meals are cheaper, no spices, - same thing over and over until it is done, day old bread and poor quality fruit

Across the three villages, affordability was a key issue for those without income or assets additional to the age pension.

The rents are excessive. You need enough left for electricity, phone, doctors. \$73 that is left is not enough. It just will not go around.

Only \$70 after pay rent each fortnight, - if I didn't have something behind me I would not feel secure. Where will it leave me in 15-20 years?

I'm all right I have money in the bank I'm living on that. My son subsidises me.

People on pension have absolutely no money left to do what they want to do. I've been in the position where I couldn't afford to have a prescription made up.

Residents talked about cutting back on the costs of entertainment, social activities, medicines and shampoo and of not being able to afford to run a car

People can't afford the \$5 social club membership, you think twice about even buying an ice cream. But even going to the movies, social life is difficult.

Can't save for a holiday, can't have fifty cents each way on anything

Some people noted the high proportion paid in rent limited their control over their budget in terms of establishing priorities and saving for particular things. Some residents worried about provision for future care needs, while others wondered whether they should return to public housing and *go where I will be better off with money but miss the company.*

The quality of the on-site managers was a key issue in all villages. Managers in the villages are contract workers and some villages had had many changes which residents found disruptive. In some villages, location was a problem for some residents in that there was limited access to public transport, family and shops. In this particular village the physical environment was also considered to be poorly designed for people with mobility problems.

The age-specific nature of the housing, access to communal facilities and the provision of meals and laundry are distinctive features of this type of housing. Affordability is a key issue. For those without other financial resources other than the age pension, the capacity to accumulate financial resources to fund a move while in this form of housing and the ability to save for social, medical and other costs is a major concern. Residents also feel that they are vulnerable to poor management or changes in management, and are dependent on managers for good quality food. On such limited budgets there is little room to supplement the food provided.

A secondary major issue is the wide age span in the villages and the varied motivations for moving in. Some residents were very keen to improve the care and support available; other were keen to establish that the village was *not a care centre - Not really looking for sick people here. Meant to be for the fit.* These differing views about the nature of the villages provide the potential for conflict as the population of residents age.

3.5.3 Abbeyfield housing

The Abbeyfield housing included in the study was located in a small country town. The Abbeyfield Society is an international charitable organisation providing a model of supportive group housing and companionship to disadvantaged older people. Abbeyfield housing offers unfurnished bed-sit style housing in a small communal living environment. The housing is universally designed and purpose-built. Residents prepare their own breakfast, and lunch and dinner are provided. The complex contains communal dining, living and laundry facilities as well as an outdoor recreational area. There is a guest room, a store room and a two-bedroom self-contained unit attached to the complex for the cook/housekeeper. Tenants organise a range of social activities in-house. The housing is managed by a local voluntary committee. A voluntary coordinator oversees the day to day management of the complex. Residents pay 75 per cent of their income plus full rent assistance as rent and an extra \$5 a week for air-conditioning.

Most residents viewed Abbeyfield as a permanent home and had moved in from farms or homes in the surrounding area after a health scare or the death or residential

placement of a spouse. Two people had moved from public housing or special housing units. Most were seeking more suitable housing for an older person, to be closer to family, or to respond to family concerns about being alone on a farm given their health condition.

Attributes highly valued were the suitability of the housing for older people, the independence from but proximity to family, the meals provided, the room provided for overnight stays of visitors, and the sense of safety and the companionship. The amenities were generally viewed very positively although storage was an issue for some. There were mixed views on the location. For some, it provided easy access to town, but for those who had difficulty walking or no access to a car, the location was a little far from town given there was only a limited bus service and no taxi service in the town.

The size of the complex (maximum 10 residents) was seen as an asset. People were reported to help each other out and work out their disagreements. Abbeyfield was seen as affordable and good value for money given the rental was less than that of privately owned assisted-living villages. No participant placed particular value on the community base and participatory philosophy of the complex although the sense that it was part of the local community was important.

The disadvantages reported were primarily with communal living arrangements. Problems arose from differing points of view between residents, the limitations in choices of food, and the regimentation and routines of mealtimes - *the majority rules*. Some were concerned about the lack of a live-in housekeeper on the weekend. Some would have preferred more distance from the live-in housekeeper and suggested it would be better if she lived in separate premises. Some wanted call buttons and access to master keys on weekends in case another resident was ill.

An example of these tensions arose in the focus group involving disagreement between one resident who wanted a nurse on call and another who was adamant that this was not in keeping with the independent living philosophy of Abbeyfield. One resident focused on care and safety. The other saw independence as the prime value. This was an ongoing disagreement about the nature of this housing type. One resident felt it was difficult to make complaints in a situation where a member of the committee also a resident, and given the close knit community in the town.

In summary, Abbeyfield housing was valued as a small scale, purpose-built housing form, with meals and an on-site housekeeper provided. The housing reflects community engagement and cross sectoral partnerships and residents certainly felt that they were part of the local community. In these respects, this form of housing seems to be well suited to small towns. The location in a country town can be an asset in terms of access to local services but there are issues of access to public transport for those unable to drive or to walk very far. The small communal living arrangement means that personal conflicts can emerge and the dual role of resident and committee member can affect the capacity for some voices to be heard. The quality of the relationship with the live-in housekeeper is also an issue for older people who spend much of their time at home.

3.6 Rental housing options for older people: population groups

This section examines rental housing issues from the perspectives of three groups of older renters whose views have not previously been canvassed to any significant extent in the research literature. These groups are older Indigenous people, older people in rural areas, and older people with marginal attachment to housing.

3.6.1 Older Indigenous people

Older Indigenous people were drawn from two housing types: public housing specifically provided for Aboriginal and Torres Strait Islander people and purpose-built one-bedroom apartments provided by an Indigenous community housing organisation. Public housing participants were living in some new and some older public housing. Community housing tenants were living in a cluster of ground level apartments in a bush setting in an outer suburb of a capital city. An older Indigenous person was defined as aged over 50 years in keeping with accepted conventions.

The participants in the study were primarily women, who were more likely to be living with other family than the participants in other housing types. Many had chronic health problems. Both groups were paying some of the lowest rents in the sample. Many had lived for a long time in public or other subsidised housing. Two tenants had been moved by the SHA from Aboriginal communities into State-managed housing. Reasons for moving in to current housing were generally health reasons or needing to be closer to family or work. In the community sector housing, some tenants had lived in their own home previously; others had moved from public housing.

The majority of participants were satisfied or very satisfied with their current housing. The location of housing was valued for the proximity to transport including ambulances, hospitals and health services, schools, and recreational and social activities. Proximity to family was valued by some, although others stressed the value of distance from family which provided opportunity for greater independence and autonomy. Feelings of safety in the neighbourhood were also important. The location of housing was valued where the housing was *integrated* with other housing and not located in a public housing estate:

I like the area. It's out on its own. It's the only house the Department has in this street.

I'm an individual instead of you know a whole suburb of Blacks, or a whole street of Blacks'.

Where this house is situated there are no other neighbours that are in poverty. I mean I'm on the poverty line but I haven't got people next door to me on the poverty line dragging my resources.

One person however missed the sociability of living in a large public housing estate.

I used to go up to the shopping centre and that and sit down and talk and I had different nationalities as friends ... and we used to have a ball ... help each other out with money and things like that ... that's what I miss about it

Some were very satisfied because they lived out of the city. Others valued the sense of community where they lived, the peace and quiet, and the feeling of safety and security knowing that emergency services were close by. Privacy and independence were also valued.

We are self contained and close but separate

Security of tenure, affordability, relationship with the 'landlord', and a better response to repairs in comparison to private rental were highly valued in public housing. Some tenants were confident that the SHA would make necessary adjustments to the house so that they could remain there as they aged and as their needs changed.

We wouldn't be able to afford it if we lived in private housing because it's too dear; ... and we know that the rent goes up it'll only go up a dollar or a dollar fifty per week once every six months or so. It's not too bad.

As pensioners we were not well off so we had to consider how much we could afford to pay rent. We waited a long time for this place but it was well worth it because it is a low rent. It's only \$82 a week.

Size and space were important. Tenants who had remained in two, three and four bedroom public housing properties after children had left home valued remaining in their 'family home' and having extra room for family to stay or having space for hobbies. Tenants in community housing valued being able to have members of their extended family stay with them.

My family can come and go now ... Because they live around me. I'm right in the centre of them.

We are allowed to have our grandchildren with us - a bed in the lounge or something.

Other design features that were valued were privacy, adequate storage space (for example built-ins in every room), complete security (including in one case security lighting), no or few steps, toilet separate from bathroom, and having grab rails and easy turning taps. The quality of housing was highly valued particularly where tenants had moved into a new home or where major renovations had occurred. In two cases tenants had some input into the renovations such as selecting colour schemes.

In the community housing, tenants valued the affordability, security of the units, the ground level design and the strong sense of community in the cluster. Tenants reported feeling more secure in this tenancy than in their prior housing despite some issues with the management of the housing.

The disadvantages reported mirrored many of the attributes valued by participants. Dissatisfaction was associated with location of the housing when there was poor access to public transport or where tenants felt unsafe in the local neighbourhood. Housing amenity was also an issue when storage was considered inadequate, privacy was not provided, security was lacking, or where there was a poor response to requests for maintenance. Poor design was also raised as a problem - slippery floor covering, stiff taps, step up to a shower or a shower over a bath, the positioning of cupboards and stoves, steep entrances and driveways. For those in smaller units, size was a problem in terms of fitting in a freezer, pursuing hobbies or having space for relatives to visit.

... I've got a kitchen that I can't move in. And we've got a bathroom that we can't move in.

Other disadvantages related to the environment (drag racing on street, noisy and abusive teenagers in the park adjacent to dwelling, less friendly neighbours leading to reduced social interaction); other inadequate public amenity (unable to use public transport due to illness), and difficulty in being able to do garden maintenance and upkeep.

Security of tenure issues were raised by some participants from both housing types. In public housing, one or two tenants who remained in three or four bedroom houses after children had grown felt some level of insecurity in relation to their tenure and changes in housing allocation policy. They feared being asked to move from what they viewed as the family home. In community housing, problems with management raised issues about continuing tenure. Affordability was a concern for some residents:

It's still good rent but its getting dearer and dearer. ... compared with ... private rent its still good but it's a bit tough when they take every little bit we've got off you in rent. We're only just surviving on what it is now.

Indigenous people tended to have fewer complaints about their current housing arrangements than other groups. Some Indigenous people also talked somewhat differently about home and placed greater emphasis on self sufficiency and access to food sources.

Home is a feeling; it's not place. And it's the feeling I get here.

Key issues for this population group relate to eligibility and appropriateness of housing. Couples where one partner is not an Indigenous person were concerned about the future tenure of that partner if the Indigenous partner died as housing eligibility was linked to Aboriginal identity. Many Indigenous people were long-term public housing tenants and current housing was becoming increasingly unsuitable as many had major health issues. One person could no longer use the bath, another had slept in the lounge for the past three years as the doorways were not wheelchair accessible. There was a consistent call for the SHA to consider the extended family 'factor' and provide two-bedroom or larger housing

... well you know what Aboriginal families are like. They stick together sort of thing, you know.

... you get grandmothers ... they're going to die of loneliness if they haven't got room to accommodate visiting family members from North Queensland, out west ... because they are going to come to visit regardless ...

They get old people here. They like to have their family and there have been ... complaints about too many staying in that little two-bedroom place.

Table 23: Summary of residents' views on Indigenous housing

	Attributes valued	Disadvantages	Key issues
Indigenous residents in Aboriginal public housing	Location Long term link as family home Integration within a suburb Security of tenure Room for family visits Design and maintenance Affordability Size and space Privacy Modifications for disability	Location Poor design Size and space Non accessible for disability Gardening	Security of tenure for non Indigenous partners Security of tenure for 'under occupied' 2 and 3 bedroom houses Accessible design for those who had grown old in public housing
Community sector housing units for Indigenous people	Affordability Security of tenure Accessible design Sense of community Safety Family able to stay	Relations with management Security of tenure	Space Waiting list

3.6.2 Older people in rural localities

Older people in rural localities were included in the sample to explore particular issues relating to rurality. The consumer study included housing in two rural locations. In a western regional town, independent living units were provided as part of a complex that also included hostel care. The independent living units provided two 'levels of care' – semi-independent where the tenancy included the provision of lunch, and totally independent where tenants were responsible for providing all their own meals. Tenants of the independent living units are also able to purchase a meal in the dining room for \$2.00, use the community room and participate in various social activities held there. Only residents in the totally independent units were included in the sample. The second site was a small community housing cluster initiated by the local progress association in a small country town. The local council contributed land and the building was funded by the State Government community housing program. The complex comprised ten self-contained units.

All participants from both sites had previously owned a home and for most their last move had been from their own home. Reasons for moving included deteriorating health of self or a spouse and the consequent need to be living closer to assistance and/or care, the inability to continue to maintain a large property, and the inability to negotiate a high set house. Location, climate, family, and considering future housing and lifestyle needs attracted people to this housing.

The relative newness of the housing, good design concepts, and designs that were appropriate to the needs of older people were highly valued. Good design features ensured privacy (own entrance, own patch of garden, carports dividing units, well insulated in terms noise); allowed plenty of space (2 bedroom for singles, plenty of storage space, storeroom attached to garage); provided comfort (soft carpet, veranda, ceiling fans, heat/light in bathroom, large bathroom, north-east facing) and allowed tenants to feel safe (fully secured, added security plate on front door, support rails).

... but they are lovely, and they're comfortable. They were brand new when we moved in, so they were lovely and clean. And they're well designed so... so that you're not listening to your neighbours through the walls and that sort of thing. And we've got a wall oven, and hotplates and a double sink. ... They're security screened and there are fans, ceiling fans. And the ceiling fan that you have in the lounge room, I'd never seen that before ... I'm not really cold in the winter. I've never felt cold in there, or very hot. They're just so well insulated.

The company and living *a much more relaxing form of life* without the *rush and bustle* were also valued as was no longer having to pay costs such as rates and insurance associated with home ownership.

The limitations described were associated with being allocated a purpose-built unit for older people but not a wheelchair accessible unit. This meant that mobility and independence was restricted by narrow corridors and stove and benches poorly placed. The lack of air-conditioning for those who were without it and poor access to storage space were noted. Interestingly, this group noted too much privacy as a potential disadvantage – *it just worries me a bit when people are living on their own that it might just be a little too private*. Some expressed concern about living alone and being distant from neighbours or so secure that one might be *locking other people out who might need to get in*. Concern about the lack of access to assistance such as call bells was also noted.

*'I like everything about *****. It's geographically well situated, and it's got a lovely climate. And the best part is it's close to bigger towns. It's only half an hour into ***** , a bit more to ***** , and an hour and twenty minutes to get to*

*****. *So that's all good. I'm just slightly insecure. Just slightly because I'm still ... I've still got good health and everything. About living by myself. I worry about it. No one in close proximity if anything happens. But that's my only concern about *****.*

Other disadvantages were living a long way from family, the lack of transport services, and limitations on the freedoms normally available to home owners. Transport was an important issue for those unable to drive. Communities were dependent on subsidised transport (HACC funded car/ bus with volunteer drivers, taxi vouchers) or lifts from friends to access services if no longer driving. It was also very difficult for participants to go out at night if no transport was available. The transport issues raised mirrored those raised in the focus group conducted with residents in Abbeyfield housing, also located in a rural area.

Table 24: Summary of rural residents' views of rental living units

Housing - rural residents	Attributes valued	Disadvantages	Key issues
Rural location	Access to services	Transport	Transport
Self-contained living units – 2 sites	Purpose designed buildings	Some degree of isolation	Design Location
	Company	Poor design	
	Security and safety	Some limitations on autonomy	
	Location		
	Affordability		

3.6.3 Older people vulnerable to homelessness

One part of the consumer study focused on the range of housing that has been traditionally used by older people who are marginally housed and/or at risk of homelessness. Two primary sites were selected for inclusion. One site was an organisation in a capital city that provided housing and support services for poorer older people living in the inner-city. This organisation provided a range of housing options: independent living with some support services provided and recreation organised; aged care packages and assistance to remain living independently; and low care aged care facility (hostel) accommodation. Participants were recruited from three independent living complexes in the inner or near inner-city. Two were blocks of units and one was a village-type arrangement. For the purposes of this study this type of housing is labelled 'housing with some support services attached'. It was independent in that no meals were provided. The main aim of the support was to assist the older person to remain housed.

A second site of study was inner-city boarding houses in another capital city. Participants for the focus group and interviews were drawn from private sector and community boarding houses in the inner-city.

A third site was housing provided by a not-for-profit community housing organisation offering affordable housing to people who are homeless, at risk of homelessness or who are low-income earners. The organisation does not specifically target older people. One participant in the study was drawn from this location.

Site 1 Inner-city housing with support services attached

This housing is unusual in that it provides recreational and other support services to tenants. Normally these services are attached to transitional housing services and not

permanent housing options. The organisation has an allocated recreational officer who organises social activities across the sites and a support worker attached to each of the independent housing complexes. This worker provides day-to-day living assistance including assistance with settling in, budgeting, and referral, advocacy and facilitating access to local services.

Participants from this housing type were predominantly men and were unlikely to have ever been home owners or to have owned furniture. A number reported being homeless or in very unstable living circumstances prior to moving into this housing. Most reported a much more complex history of many housing moves with several reporting they had moved from another State. None had a live-in partner.

Older people valued the amenity of the housing particularly in comparison with private rental. The provision of furnishings, the affordability, and the inner-city location which provided access to transport and shops were highly valued. The mixture of security, independence, privacy, autonomy and the company were also valued.

... I find just the rents are reasonable judged on the market and from what I get out of it, it far outweighs the money I'm paying.

... another reason I like the housing. ... I mean you can have a garden ... I've got my own garden there now.

*It's four years since I was private rental. To tell you the truth I just forget how much I was paying, but when I first went into *** knew that it was much the same [to where] I was living ... it was a slum compared with this place.*

One person spoke of the lack of stigma attached to this housing in comparison to a hostel for homeless people. The support offered and the organised activities were also highly valued by most.

*Well one of the things that ***** is skilled at, they know where to go to get help.*

Whereas the average person scratches his head and goes 'I'm in trouble. I don't know where to go for help'. But they know where to go to get help.

Tenants also complained about the quality of the amenities in some housing – noise through walls, microwaves rather than a full oven, bar fridges that meant tenants had to shop regularly as there was no room to store food such as frozen meat, the lack of air conditioning and the lack of a bath.

Affordability was an issue for some particularly in relation to paying for maintenance of big items such as cleaning carpets and the costs of power.

Ours is a little expensive. That's with the ... the power bills. We've got no off-peak. Plus we have to pay for our laundry; put our own money in the washing machine and the dryer. We don't get that free. So it makes it a little bit expensive on top of the rent.

By the time you've paid your necessities, plus your medication, plus I'm paying now someone to help me to carry my shopping. I can't carry it now. So that's more expense. I can get someone to help me with my housework. I can't afford it.

... but it is difficult if you want to buy yourself some clothes because its so expensive ... you always make sure the rent is paid ... you cut down on the other stuff.

Conditions of tenancy such as restriction on putting in an air conditioner or having an enforced cleaner were issues for some. Some found the environment a little too

social and lacking privacy while others enjoyed the companionship and a chance to meet others.

Most tenants are satisfied with the housing option with few intending to move. One or two had decided to move back to public housing while another was unsure where the next move would be to. Social mix was an issue for some who reported discomfort and disturbance from other tenants particularly where alcohol is involved.

Inner-city living was the preferred home for many of these tenants and highly valued for the access to services and a familiar lifestyle. However, inner-city living also brought with it noise and high supermarket prices as a result of gentrification.

It's the noise, it's the noise level. Apart from that it's wonderful living.

all night nightclub noise, street sweepers, garbage collection in wee hours of the morning.

My bedroom window's on the street ... with the same six o'clock, five o'clock in the morning. I've got a car park on the other side of the train. And every day, 1, 2, 3 o'clock in the morning the cars rev up you know. I'm like him! I sleep and get up, sleep and get up the whole day and night long.

Yeah well where I live ... there's four garbos go that lane back of us. One starts at three o'clock in the morning.

The majority gave the impression of living on a very tight budget with little leeway for extra expenses. Food and power costs were major budget items and an issue of concern was the lack of off peak power rates in one of the blocks of units and the disparity in costs of using the laundry between complexes.

The same housing had different attractions and benefits for individuals. For some, the size of the rooms was no problem where another found them too small. While one person felt very secure, another living in the same complex did not feel secure. Much hinges on personal experience and personal preferences but the general view is summarised as,

So all in all, with all the drawbacks it's pretty comfortable.

Site 2 Inner-city boarding houses

One focus group and some interviews were conducted with a mix of tenants from community-based not-for-profit and privately owned boarding houses. The boarding houses provided an individual room and shared facilities. Shared facilities included a fridge, freezer and cupboard space in the kitchen, washing machine and dryer. In the community managed boarding houses, a manager oversaw day to day management, facilitated tenant participation meetings, provided referral to services and organised occasional social activities, but was not located on site. Privately-owned boarding houses had an on-site manager living at the boarding house. Community managed boarding houses were fitted with a bar fridge in the individual rooms. Some had communal living rooms. Tenants of community managed boarding houses paid approximately 28 per cent of their income as rent. Rent in the privately owned boarding houses ranged between \$95 and \$115 per week.

Participants in these groups were predominantly men. All lived alone. Some tenants were on disability support rather than age pensions. Some participants had chosen boarding houses as a permanent or semi-permanent housing option that suited their lifestyle. One person had been at his current place of residence for the past four years, and prior to that had been in another boarding house for eight years. Others lived periodically in boarding houses:

I'm a migratory chap. I'm only here for 3 or 4, 6 months. A boarding house seems to supply most of my needs, and certainly a good number of my wants.

Others had chosen boarding house accommodation as a temporary measure while receiving health treatment or as accommodation to tide them over while they waited for more permanent housing such as public housing:

Well it's alright for a certain time. I've been there eight months. Now I feel I'd like to get a flat of my own or a unit or something.

For another resident, choosing to live in a boarding house met their most basic need for a *roof over me head* and was better than *being out on the streets*. Another who had lived in boarding houses and hotels since fifteen enjoyed the freedom associated with this housing type:

I put in for a Housing Commission but if that did come up I'd probably say no at this stage anyway ... Because see on this side of it, if I want to move somewhere – just say I did want to go down the Coast ... you just go ... and if you were in another type of housing you'd be tied down to that housing.

The value of boarding houses included the central inner-city locations providing good access to transport and services; the quality of the amenities, and the security, companionship and affordability. The community-based boarding houses were viewed as offering higher quality amenities than the private boarding houses.

So we can only afford to stay in places that charge a rent which is proportional to our income - 28 per cent. I couldn't afford to pay \$120 a week in a commercial place. So the reason I stay there is simple - money. Although I actually like staying there. I have many other good reasons to stay. But if it wasn't for poverty I would probably go elsewhere.

While there appeared to be a number of unsatisfactory features of boarding houses, most of the boarding house tenants were generally satisfied with this type of housing. The disadvantages were very individual and reflected particular house/room design and features. Several people across both private and community-based boarding houses made mention of loss of independence, autonomy and privacy from living in close quarters, and the disadvantage of having to share facilities with many other people. The other problem raised by tenants of both private and community boarding housing was the lack of management presence on the property, particularly when problems arise between tenants. In these cases tenants assume some responsibility for resolving issues, but do not see it as their role. Other disadvantages included the lack of storage space, the lack of basic facilities such as a washbasin and water in some rooms, the large size of some boarding houses, the costs of shopping at inner-city supermarkets, and the costs of using private laundries.

Satisfaction with boarding houses ranged from very suitable – *it suits my needs [and] I'd like to stay there for as long as I can'*, to unsuitable – *there's a place for boarding houses ... but it's not for me.'* Complaints were about poor access to facilities such as washing machines due to the density of living, the restricted nature of living where the bedroom has to be all rooms, the loss of independence and autonomy when housing is managed by 'regulations', inflexibility in routines, and poor food quality in those boarding houses where meals are provided.

Participants provided insight into some of the population groups using boarding houses as a housing option. Some tenants have a background of mental illness or alcohol misuse.

*... there have been a few problems with alcohol but mostly they have counselling. The **** Mental Health Clinic works with the **** Project, and they visit any women who are ill psychiatrically. And they come there and counsel them or take them for treatment and things like that.*

... anybody at the boarding house, we're all on some medical problem I think. Somewhere along the line, nearly everyone I think ... We're all traumatised, in some way.

Differences emerged in quality and amenity between some private and some community managed boarding houses. In general, the community boarding houses were viewed as providing better quality furniture and equipment, greater cleanliness, and a higher sense of security than the private housing. The provision of personal mailboxes rather than group collection and distribution of mail by the caretaker was highly valued in community boarding houses. However for others the private sector boarding house environment and all that it offered, including security, was more than adequate.

*But I'd moved from a place where the caretaker was very arbitrary in making decisions, and very violent. You know he threw tenants from one end of the corridor to the other. And people were chucked out, you know with no proper cause. And the doors on all the rooms were very flimsy. And so when I moved into **** the first thing I heard was that my door went cl-l-unk! And it was secure. People couldn't come in during the middle of the night.*

You get a caretaker whom you don't trust has also got a key to your room, and everybody else's room. And also collects the mail and sorts it out. It's a loss of security ...

We've all got our own letter boxes.

And I have a comfortable room with a refrigerator and a new mattress and a table and chairs, and I have my own television. There is a lounge room with a television. There is hot water, and cold water, with a shower. And it is kept clean.

My room is ... 3 metres long, and it's 2.4 metres wide. And in that I've got a built-in wardrobe, a sink, television, little table, bed, and... a circa 1952 little lounge chair there. Now the mattress, ooh dear the mattress! There's something. There's springs coming out of it. When I first got it - it stank, and so I had to air it day in day out until I got the stink out of it.

Restriction on autonomy was an issue. Participants found it difficult to live in a semi-regimented environment that was governed by a set of rules and where a manager was present. Several tenants missed the opportunity to have visitors, and the sole use of a kitchen or living room. Some, however, enjoyed the ready company available in communal living and shared facilities.

Independent living with communal laundry

Only one participant was recruited from this site. Housing provided by this community organisation includes one-bedroom units, bed-sit units and a boarding house. The units are furnished and are in a fairly high density complex. There is a communal coin operated laundry, a common room and on-site caretakers. The housing is funded and managed through a mixture of government-funded programs and private sector investment. Rents are linked to assessed income. The sole participant in the study from this site resided in a bed-sit unit.

As an older woman with a low income and some health problems, this participant saw herself as having few choices when she moved from private rental housing on short notice. An important advantage of this housing that she selected under pressure, is that it is located on ground level. Were this not the case, access to facilities including garbage bins, laundry, and community room would have been impossible for this tenant, who is unable to negotiate stairs. Further disadvantages were the high rental cost, and lack of adequate storage space. The participant also reported that the location was poor in terms of transport and proximity to services despite its inner-city location. Despite this she rated herself as very satisfied with her housing.

The views of older renters included in the study who were vulnerable to insecure housing or homelessness are summarised in Table 25.

Table 25: Summary of views of their housing of older renters vulnerable to homelessness

	Attributes valued	Disadvantages	Key issues
Independent living with support	Inner-city location Quality of housing Company Affordability Support services offered Independence Flexibility	Noise Social mix Safety Cost of inner-city living Suitability of some amenities	Supply in inner-city Cost of living Quality Safety Quality of management Mix of support services and autonomy
Boarding houses	Inner-city location Quality of rooms Company Management Social mix Independence Affordability Safety Flexibility	Safety Quality of rooms Availability of management Social mix Inconsistent, few or too many rules Too little space Suitability	Supply in inner-city Cost of living Quality Safety Quality of management Mix of support services and autonomy
Independent living with communal laundry	Availability Ground level	Lack of storage space Access to laundry and garbage bins Affordability	Storage Disability access for older people

3.7 Summary and conclusions

3.7.1 Diverse needs and interests

The consumer study confirmed the diversity of older people's needs and experiences of housing even within the minority group of older people who rent. Participants in the study all were living in rental housing, were retired from paid work, and had a fixed and relatively low income. There were, however, many differences in their resources, experiences and preferences. Some had significant resources including financial assets accumulated from the sale of a house, a supportive family, and good health. Others had few financial resources, little contact with family, and serious health problems or significant disability. Participants were at different life stages. A few had ongoing responsibilities for children or grandchildren. Some had recently lost a

partner and sought a change in living circumstances to find more companionship. Some had deteriorating health and were looking for a more supportive environment. Some were in good health and seeking an active lifestyle. Some had reared families and grown old in public housing. Although the majority sought security and permanency in their housing and had no plans to move, a few had more transient lifestyles and viewed the current housing as *just a place to live*. No one housing type or tenure will address these diverse needs, preferences, and interests.

Four differing rental groups were identified in the study. These were:

- *Long term tenants*. This group had been in rental housing for many years and in many cases had reared families in rental housing. They viewed their current housing as very much the family home. They were primarily public housing tenants and tenants in Aboriginal and Torres Strait Islander public housing.
- *Those choosing to move to age-specific housing*. This group had chosen to make a change to age-specific housing in later life motivated by either an interest in retirement lifestyle or a need for a more supportive environment. A retirement lifestyle generally meant a smaller house, access to communal facilities, companionship, no maintenance responsibilities, and the provision of meals, laundry and/or other services that free up leisure time. Some were also looking to free up assets (such as the family home) to improve lifestyle choices or simplify financial arrangements. This lifestyle also meant independence from responsibilities for children. Those looking for a more supportive environment generally moved after a health crisis or the loss of a spouse, or as a result of feeling unsafe in their current environment, or due to increased awareness of the unsuitability of their current housing arrangements for their developing care needs. Those who made such a choice generally moved to assisted-living villages, Abbeyfield housing, or rental retirement complexes, although a few had moved into Senior's public housing.
- *Those forced to move into rental housing*. This group moved unwillingly as a result of changes in health, financial circumstances, or life stage. Some had lost home ownership as a consequence of separation, divorce or bankruptcy. Others were forced to move because of the unsuitability of prior housing, the sale of current private rental housing, or the breakdown of a share housing or family arrangement. This group included people who moved into co-operative housing, assisted-living villages, and public housing. It also included boarding house residents who moved between boarding houses or between private rental and boarding houses.
- There is some overlap between those who chose and those who are forced to move. Some older people with care needs reported being pushed into moving into age-specific housing by families and health care workers or by the threat of what they saw as a worse scenario – a move into residential age care. Older people living on farms were particularly vulnerable to this type of pressure to move into town when their health declined.
- *The marginally attached to housing*. This was a small group that saw housing as very much a temporary arrangement and who had a history of multiple moves and a more transient lifestyle. This group was living in the boarding houses and housing specifically targeting vulnerable groups.

Older people who reach 65 as renters are extremely unlikely to move out of this tenancy (Howe 2003: 16). Many older renters are lifelong renters who have been unable to afford to move into home ownership. Others have dropped out of home ownership due to circumstances such as separation, divorce, or bankruptcy. In the

sample, almost one in four participants had moved out of home ownership into rental accommodation. An emerging group requiring policy attention is the group of older people who are electing to move out of home ownership in later life to fund lifestyle, care and accommodation options.

3.7.2 Key attributes valued across all housing types

Although many indicated that their choices were constrained, the majority of older renters in the study were satisfied with their current housing. Those who were considering moving were often dissatisfied with a specific aspect of their housing (e.g. wanting to cook in an assisted-living village or concerned about ongoing affordability). Others considering moving saw their current housing as a temporary arrangement while they sought more appropriate housing, or were marginally attached to housing and used to a transient lifestyle.

In general, most older people in the study valued housing that is affordable and secure, that supports feelings of autonomy and safety, that is well designed and suitable to changing needs, that is accessible to a range of services, and that is spacious enough to allow for overnight visitors, storing items of value, and the pursuit of hobbies. Many older people are seeking a home-centred life, and privacy is an important consideration. Social mix is important to some; not all older people prefer to live in age-specific housing. For those who chose to live in village and communal arrangements the ability to live autonomously and socialise by choice remains important. Older, low-income renters are seeking affordable, good quality housing with secure tenure, located close to relevant services, and well designed for current or future care needs. These key values are summarised below.

Affordability and cost

Affordability underpinned perceptions of the options available. For most, *'it's got to be somewhere I can pay for'* was the framework through which all housing options were viewed. Affordability was a common factor in the reported reasons both for moving into current housing and for considering a move. The majority of participants were on a low income that provided little flexibility in their living costs. Housing maintenance costs as well as rental costs were thus key concerns. These included the costs of large-scale cleaning of walls, carpets and windows, and paying additional charges for air conditioning, garden maintenance, telephone and power bills.

Hidden housing costs were also associated with housing location and design. Locations that provided access to public transport or the capacity to walk to shops, access to low cost supermarkets, and designs that facilitated the capacity to store food bought in bulk or to access off-peak power rates were highly valued. For renters in the private sector, the costs of frequent moving as well as high rents impacted on their financial resources.

The impact of housing costs on social life is an issue of concern for some tenants. In a number of housing types, but particularly in assisted-living villages and the co-operative housing scheme, participants reported having to give up social activities and live a more restricted life because of the impact of housing costs on their available income. Some also reported that having to pay such a high proportion of income in housing/living costs reduced their capacity to save or manage money in ways that suited them.

You don't have a life. All you do is eat and go to meeting. You don't have a social life.

I've had to withdraw from a lot of things. Social things, Insurances.

Lunch at the club that costs \$10 - if the rent goes up we will have to stop that.

Security and stability

This consumer study supports the view that status as a renter does not undermine the importance of 'home' to older people. The vast majority were seeking permanency and viewed their rental housing very much as 'home'. Most had no plans to move with some suggesting that moving would be a terrible blow.

Security of tenure particularly as care needs change is a core issue for older people in rental housing. They are vulnerable in most housing types and tenures. In private rental there is no security of tenure and there is limited market choice. In public housing, changes to housing allocation policies and concerns about under-occupation of housing stock can threaten secure tenure in a particular dwelling. In the emerging rental villages, affordability and suitability of housing will affect security of tenure as will the marketing of these villages as a "lifestyle" option rather than a supported accommodation choice. In the community sector, the value of inner-city properties can also threaten long term tenure. In addressing the needs of older renters, security of tenure is a core issue.

Location

The most common theme across all groups of participants was the importance of a location that facilitated access to services. Access was facilitated either through available public transport or the availability of services within walking distance. *When you get to this age you've got to be sure of all that.* Most participants were not car owners. The services of most importance were health services (doctors, chemist, hospitals), day to day living services (shops, banks, post offices), and services that allowed participation in interests such as churches, pubs, bingo or concerts. Proximity to family and friends was also important, although for some family could be too close: *40 minutes away is enough. And it gives them their life and gives us our life.*

Location was also highly valued for the attributes of the neighbourhood – the general atmosphere, friendliness, and feelings of security and safety. Inner-city living was valued by some, others preferred a more suburban or semi-rural environment. Regardless of personal choice of location, transport and access to services were of central importance. Locational problems identified included unsafe locations especially at night, excessive noise through dogs barking, neighbours' loud music, or heavy traffic, inadequate street parking, and not being able to choose one's neighbours.

Quality of housing and environment

A strong theme was the quality of housing and the environment – *somewhere pleasant to live*. There were individual differences in what constituted a pleasant environment but for most it was a view, greenery, *not boxed in too much*, quietness, lightness and air. What was to be avoided were places that were *dark or dismal to live in*. Boarding house residents expressed concern about cleanliness and decent basic amenities such as a clean mattress. Within villages there was greater concern with the social environment of the village – a *happy atmosphere* and companionship and suitable neighbours were most likely to be mentioned as highly valued. In public housing the social mix of the neighbourhood was viewed as important.

Quality was also linked to space and general amenities. For some it was having enough storage space and room for belongings; for others it was more a scaling down exercise, and having a smaller place that did not require a lot of housework or maintenance. Good design that afforded privacy, security and autonomy – *your own little shack* – and social contact that was within the individual's own control were

viewed as important. Storage was an issue. Many units specifically designed for older people lacked space for hobbies, visitors, storage of valued items or storage of food bought cheaply in bulk. Participants who had gone through a process of downsizing from a family home particularly had problems with storage.

Design features that were considered disadvantageous included poor security and inadequate fencing; inadequate internal lighting requiring lights on during the day; small units that compromised the quality of socialising; inadequate storage space; cupboard positioning or ovens that were too high or too low; unsafe finishing such as flooring that is slippery when wet; lack of covered car parking; lack of internal fittings such as stove range hood, particularly in small units and those where there is poor kitchen ventilation; lack of air-conditioning and floor coverings. Housing quality was compromised where there was an ageing property that was in poor shape due to inadequate maintenance. Another disadvantage raised was the inability to obtain contents insurance due to inadequate security on the property. Good design addressed both current needs and interests and potential future needs.

Suitability

Suitability is the outcome of individual perceptions of the match between what the housing provides and an individual's needs and preferences. Suitability of housing is also linked to perceptions of future needs and what is perceived to be available and possible. Needs and preferences arise from preferred lifestyle, social and cultural factors, abilities and disabilities and life course stage. Thus one type of housing will not be suitable for all older people. Indigenous people generally placed greater emphasis on space for family to stay. A woman in a wheelchair prioritised access:

Getting into something physically suitable is far more important to me than the location really

For many, suitability was determined by weighing up priorities, resources and the trade-offs that had to be made. For those with few financial resources, housing cost was central to the trade-offs they had to make. This was especially so in the assisted-living villages where people traded financial independence for security, services and companionship. In private rental, costs and insecure tenure were weighed against independence and choice.

Autonomy and independence

Autonomy and independence are widely perceived by older renters as important. These values were compromised where tenants did not have opportunities to pursue interests such as gardening; where they were inhibited in their activities due to lack of privacy, or where there were prohibitions or conditions associated with a housing type, e.g. pets. Those who moved into communal arrangements seeking company and support also consistently valued having *my own little place* and the freedom to choose not to socialise with other residents.

Safety

Feeling safe in the house and the neighbourhood were key values. For some, communal living or a village-type arrangement provided the safety they sought. For those in boarding houses, the capacity to lock their door was a key safety issue. More generally, safety was associated with facilities such as security screens and call buttons. For many, safety also incorporated the sense that help was available if needed.

3.7.3 Conclusions

The consumer study provides detailed data on the diversity of housing needs and experiences of older renters across a range of population groups, types of housing, and tenures. The study identifies four main groups of older renters: long term renters, those forced to move into rental accommodation in older age through economic necessity, those marginally attached to housing, and those moving voluntarily to rental, age-specific housing. Older renters vary considerably in the housing values that they rate highly, and the consumer study points to the need for a corresponding diversity of types of housing provision for lower-income renters. However, there are a number of core values that should be central to all forms of housing provision for this population group: affordability, security and stability, accessible location, amenity of the dwelling and the living environment, adaptability to changing needs, opportunities for autonomy and independence as well as sociability, safety, and suitability to individual needs. These core values provide a check-list for evaluation of current and proposed housing types and developments for this population group.

The findings of the consumer study raise a number of important policy questions which are considered in detail in chapter six, in the context of the wider aims of the overall study. Firstly, the consumer study points to the importance of examining the *roles of the public, community, and private sectors* in housing provision for older renters. There are marked differences in consumer evaluation of housing provided through different sectors, as described in section 3.4 and elsewhere in the chapter, which should be taken into account in policy development. In particular, the marked differences between the generally positive consumer evaluation of public housing by older people and the generally negative evaluation of housing by older people renting in the general private housing market needs to be addressed. Furthermore, much of the development of innovative housing types for older renters, and much of the recent expansion of supply, has taken place in the private and community sectors. Many of the features of these new developments appear to be valued by older renters, although they also raise issues of housing quality, suitability, affordability and management. There is a need for further consideration of the ways that the public, community and private sectors can collaborate more closely to achieve good housing outcomes for lower-income, older renters.

Secondly, the consumer study suggests the importance of addressing the issue of the *provision of age-specific housing* for older, lower-income renters. It is clear that this form of housing is highly valued by a significant number of older renters as described in section 3.5. The private sector, and to a lesser extent the community sector, have taken the lead in the recent, rapid development of affordable housing of this type. There are a number of policy issues that are raised by this development. Should SHAs encourage private sector development of congregate, rental housing for older people? If so, in what ways and under what conditions should this be done? The consumer study suggests that some current models of provision raise issues of affordability, quality of on-site management, and adaptability to changing needs as residents age. There are also complex relations between expectations of 'lifestyle' and 'care' in communal living arrangements that raise issues of the primary purpose of these housing types, and their capacity to adapt to the changing care needs of residents as they age in place. Given that this is the most rapidly growing sector of the affordable housing market for older people, there seems to be a strong case for policy attention to be paid these issues.

Thirdly, the issue of *housing affordability* emerged in the consumer study as an issue requiring renewed policy attention. In line with previous studies, the consumer study highlighted the affordability difficulties of older people housed in the general private rental market. It identified the ways that gentrification of the inner-city has not only

resulted in the loss of accommodation available to low-income older people, but has also added to the costs of inner-city living for poorer people e.g. expensive supermarkets. It also identified affordability issues associated with new and emerging housing types such as rental villages, which commonly charge 85 per cent of the age pension plus 100 per cent rental assistance for village accommodation and associated services. The consumer study provides evidence that for some residents without assets or other sources of income this leaves insufficient income for community living or for accumulating resources to facilitate moves to other forms of housing in the future. The problem of housing affordability appears to be taking new forms and may require a range of different policy responses.

The consumer study also provided insights into the *diverse motivations* of those renting in older age. It has been widely assumed that lower-income older renters comprise a mix of those who have been renters all of their lives, and those who have fallen out of home ownership through divorce, ill health or changes in their financial circumstances. The consumer study confirmed this assumption, but also identified a group of older renters who are electing to move out of home ownership and into rental housing in later life. This relatively small and under-recognised group are electing to rent to free up equity in housing to fund lifestyle choices, to attain a more supportive environment, and/or to obtain some degree of flexibility in the use of their financial assets. There is a need to give greater policy attention to the implications of an emerging group of 'renters by choice' in the older population.

Finally, the consumer study points to the importance of policies to assist older renters to make *housing adjustments* in older age, as their needs and circumstances change. The study identified a range of situations in which housing decisions made today may reduce the capacity of some older people to make appropriate housing choices in the future. For example, people in assisted-living villages with limited financial resources will have difficulty saving to move out of the villages, should they need to do so, while they are paying a very high proportion of their income in rent. Similarly, people who have moved out of private rental into furnished community housing may have to divest themselves of much of their furniture because of lack of storage space. They will have difficulty moving back into unfurnished housing if they choose to do so. Public policies need to find ways to maximise the capacity of older people, particularly those on lower incomes, to make housing adjustments during the 20-30 period of later life.

In conclusion, older people who rent seek the freedom to live in ways that suit them and to have housing options that address the diversity and changing nature of their needs and interests. They seek affordable housing that is secure, stable, safe, and accessible, that is suitable to their current and future lifestyle, and that enhances autonomy and independence. Consumer need and demand is currently generating greater diversity in the range of affordable housing types and options available to lower-income older people. The policy challenge is to respond to the increasing level and changing nature of demand by finding new and creative ways of harnessing the capacity of the public, private and community sectors to supply affordable rental housing to lower-income older people.

4 SUPPLY FACTORS: THE SOCIAL SECTOR

4.1 Introduction

A comprehensive scoping of the issues associated with the provision of rental housing for lower-income, older Australians requires attention to be paid not only to housing demand but also to housing supply. The demand-side issues of demographic trends and consumer needs and preferences have been considered in the previous chapters. In this chapter and the next, the focus shifts to the challenges, opportunities and options to be considered with respect to the supply of affordable rental housing for older people during the next two decades. In the broadest sense, there are two main potential sources of supply: the 'social sector' and the 'market sector'.

This chapter presents an overview of the capacity of the social housing sector to respond to the current and emerging demand for rental housing for lower-income older people discussed in chapters 2 and 3. The social housing sector comprises housing owned and/or managed by public sector agencies and by community sector organisations. The capacity of the social sector has emerged incrementally over the past fifty years, and is a consequence of a complex mix of Australian Government and State and Territory Government policies, as well as developments in the community housing sector.

This chapter is based on an analysis of relevant policy documents together with a series of key informant interviews with policy and program experts in all States and Territories, and the Australian Government. The list of those interviewed is provided in appendix three. References to policy documents are made throughout the chapter, but only general reference is made to individual interviews. In most cases, data provided through interviews has been verified in written and/or published sources.

The chapter begins by tracing the evolution of Australian Government policy concerning the provision of affordable rental housing for older Australians, and assessing the ways in which this policy field is currently identified and articulated at the national level. The focus then shifts to an overview of the policies and capacities of the States and Territories in this policy field. This begins with an examination of the extent to which this issue is identified as a policy concern at the State and Territory level. This is followed by a study of current level of provision of public and community rental housing to older people, current access and priority policies relating to older people, the development of housing stock designed and designated for older public housing tenants, and the links between housing and care for older people in social housing. The chapter concludes with an overall assessment of the capacity of the social sector to meet the current and emerging demand for affordable rental housing from older Australians.

4.2 The national policy context

The Australian Government has been involved in the funding and support of rental housing for lower-income older Australians for over fifty years. Australian Government policy in this area can be viewed historically as comprising three main sets of interventions. Each of these has made a significant contribution to the supply of affordable rental housing to older Australians, and shaped later developments. These three sets of interventions are:

- the funding of independent living units under the *Aged Persons Homes Act* (APHA) from 1954 to 1986;

- the provision of financial support to the States and Territories for housing for older people under Commonwealth-State Housing Agreements (CSHAs) and related legislation, particularly since 1969;
- the provision of Commonwealth Rent Assistance to older private market renters, beginning in the late 1950s but acquired increasing significance since the 1980s.

Additionally, programs and services funded under the Home and Community Care program (HACC) and the Supported Accommodation Assistance Program (SAAP) are of considerable significance to this field of public policy. The development and main features of each of these sets of interventions, and their cumulative impact, are analysed below.

4.2.1 *The Aged Persons Homes Act*

Australian Government interest in the provision of affordable housing for lower-income older people can be traced back to the period of the Second World War and the early planning for post-war social and economic reconstruction. The Joint Parliamentary Committee on Social Security recommended in 1941 that the Minister for Social Services inquire into the most suitable means of caring for age pensioners 'under satisfactory living conditions and at a nominal rent' (Kewley 1965, p. 312). The Committee's report drew attention to the high rents and lack of suitable accommodation for aged pensioners, and the poor quality of State-run institutions for older people in poverty. This report marked the beginning of Australian Government attention to this area of social provision (Kewley 1965, p. 312).

Housing problems for many lower-income older people were exacerbated by the extreme housing shortages of the immediate post-WW2 period. In response, significant numbers of non-government organisations became involved in housing provision for lower-income older people. By 1952 there were some 140 non-government organisations providing pensioner housing in Australia, typically in the form of cottage accommodation with some communal amenities such as a dining room and chapel. The demand for this form of accommodation was high and long waiting lists were recorded (Dargavel and Kendig 1986, p. 23).

In the early 1950s, there were calls from State governments, pensioner organisations and the non-government sector for Australian Government involvement in extending provision of cottage accommodation for older people. The matter was given consideration by the Menzies Government during the period 1949-1954. On several occasions, Menzies expressed the view that, whatever the merits of the case, housing was a State responsibility and the Australian Government's authority to engage in home building was constitutionally limited (Kewley 1965, p. 315). However, in the course of the 1954 election campaign, the Menzies Government promised to introduce legislation to provide financial assistance to churches and other recognised charitable institutions to build homes for older people. The passage of the *Aged Persons Homes Act* in November 1954 marked the beginnings of explicit Commonwealth involvement in the provision of housing for older people and the provision of aged care facilities.

The stated aim of the new legislation was to encourage and assist in the provision of homes for older people 'in conditions approaching as nearly as possible normal domestic life' (Kewley 1965, p. 316). The legislation provided for £1:£1 matching capital grants to non-profit, non-government organisations, and there was a strong emphasis on the importance of voluntary effort. The legislation imposed few conditions on management and operational matters including the type of housing to be provided and the allocation of housing to older people.

Non-government organisations responded strongly to the opportunities provided by the Act to develop the supply of accommodation for older people. Between 1954 and 1964, 1,033 grants were approved providing accommodation for 18,337 older people (Kewley 1965, p. 320). In the late 1960s and early 1970s funding under the APHA (amended to become the *Aged and Disabled Persons' Homes Act* in 1974) expanded rapidly, and by 1978 over 60,000 units of accommodation had been funded by the Australian Government under this program (Kendig 1981, p. 95). However, two key factors emerged during this period to deflect the APHA from its initial intention of providing affordable, independent housing for lower-income older people. Firstly, housing provided under the program became targeted, not on the poor, but on those able to provide a non-returnable 'donation' to the voluntary organisation on entry. Secondly, the type of accommodation provided under the APHA was increasingly in aged care facilities rather than the independent housing originally envisaged. These two processes of 'subversion' (Howe 1982) of APHA significantly shaped, and indeed restricted, Australian Government involvement in the provision of affordable rental housing for older people during the latter part of the last century.

As a consequence of these processes, the provision of independent housing for older people effectively ceased to be a major focus of the APHA by the mid 1970s. Up to 1969, 32,617 dwellings were constructed with funding from the APHA, of which 50.8 per cent were independent living units, 39.6 per cent were hostel-type accommodation and 9.6 per cent were nursing home beds (Jones 1972, p. 53). By 1983, approximately 75,000 accommodation units had been subsidised under the APHA comprising 43.5 per cent independent living units, 33.7 per cent hostel places and 22.8 per cent nursing home beds (Dargavel and Kendig 1986, p. 24). Only a small number of independent living units were constructed under the program after 1975, and the program ceased to operate in 1986. Between 1954 and 1986 the Australian Government subsidised a total of 32,971 independent living units through the APHA (McNelis 2004, p. 7).

In summary, the APHA represented the Australian Government's major commitment to the provision of rental housing for older people during the 1950s and 1960s. As a policy originally designed to respond to the needs of lower-income older people for affordable rental housing it was fundamentally flawed, with many of its resources being deflected to older people of some means and to the provision of aged care services. However, its policy legacy is considerable. As well as establishing an industry and lobby supportive of housing and aged care services for older people (Kendig 1990, p. 103), it marked the first phase of the development of the retirement village industry in Australia (McNelis 2004, p. i). Most importantly, independent living units represent a sizeable stock of housing for older people with low incomes and limited assets. McNelis has recently argued that this stock represents a 'forgotten social housing sector' with significant under-utilised potential to meet the need for rental housing provision for older Australians (McNelis 2004). It is important that the capacity of this major legacy of Australian Government support of rental housing provision for older Australians in previous decades be fully utilised in the decades ahead.

4.2.2 The CSHA and rental housing for older Australians

Since its establishment in 1945, the CSHA has been the major Australian Government housing-specific program, providing housing assistance via payments to the States and Territories for a range of housing programs, most importantly the provision of public rental housing. From the late 1960s, the CSHA superseded the APHA as the main vehicle for national government support of rental housing for older people. The CSHA has undergone many substantial changes since 1945, and has been subject to

regular revision and re-negotiation. These changes have had a substantial impact on the priority given to affordable rental housing for older people by SHAs. Three broad phases in the CSHA's approach to housing older people can be identified.

The *first phase*, lasting from 1945 to 1969, can be characterised as one of modest provision of housing for older people under the CSHA, who were given a lower priority than other population groups. The main focus of the 1945 CSHA was the construction of rental housing stock to ease the post-war housing shortage. Dwellings constructed by the States with funds provided by the CSHA were targeted in a general way on returned soldiers and lower-income groups (AIHW 1993, p. 49). Notwithstanding the recommendations of the Parliamentary Committee on Social Security in 1941, no specific provisions were made for older people in the 1945 CSHA. The Commonwealth did propose to the States in 1948 that a small proportion of the housing allocated under the CSHA should be set aside for older people. This was agreed in principle by the States, but the States' commitment to housing for older people had to be balanced against the high demand for housing for families with children (Jones 1972, p. 52; Kewley 1965, pp. 313-314).

Nevertheless, between 1945 and 1956 several States began to provide housing designed for older people. The NSW Housing Commission provided 900 units for older people during this period, the Victorian Housing Commission 542 units, and the Western Australia Housing Commission 213 units. This represented a little less than 2 per cent of total public housing completions in these States. The South Australian Housing Trust began constructing cottages for older people in 1954. The Queensland Housing Commission did not build dwellings for older people during this period, but introduced a scheme to subsidise local authorities and non-government organisations wishing to provide older persons' housing (Jones 1972, p. 52; Kewley 1965, p. 314).

These modest beginnings received a setback in 1956 when the CSHA was re-negotiated in such a way as to make it more difficult for the States to prioritise housing for older people. Under the 1945 Agreement, the Commonwealth agreed to share losses incurred as a consequence of the policy of providing rental rebates where rent exceeded 20 per cent of a tenant's income. This loss-sharing arrangement was removed in the 1956 CSHA, and full financial responsibility for rental rebates was left with the States. This impacted particularly on the priority given to provision of housing for older people, of whom a high proportion were eligible for rent rebates (Jones 1972, pp. 54 and 166). Furthermore, the 1956 Agreement reinforced the emphasis on 'family' housing, and as a consequence detached houses for families with children continued as the predominant form of dwelling provided with CSHA funds (AIHW 1993, pp. 49-50).

The effect of the 1956 CSHA was to reinforce the relatively low priority given to older persons' housing by SHAs during the first decade of the CSHA. While all SHAs other than Queensland built dwellings for older people during 1956-1969, the number of dwellings provided relative to the size of the older population remained modest. The total number of dwellings built for older people by the SHAs during 1956-1969 was approximately 10,500. Overall the proportion of older renters able to gain access to public housing remained low. In 1966, the percentage of older renters in public housing ranged from 15 per cent in Sydney, through 19 per cent in Brisbane and Melbourne, 33 per cent in Hobart, and 34 per cent in Adelaide and Perth (Jones 1972, pp. 54-56). In most SHAs the waiting times through this period for dwellings for older people were longer than for general public housing. All SHAs gave priority to married couple rather than single older people, and waiting times for older persons' single unit accommodation in most jurisdictions were typically over five years (Jones 1972, pp. 54-55).

Throughout this period, the States pressed the Commonwealth for special subsidies to enable them to provide rental housing for older people, and to enable them to receive funding under the APHA from which they were explicitly excluded. This issue was a source of considerable friction between the Commonwealth and the States (Jones 1972, pp. 53-54). From 1967, the Commonwealth allowed local authorities to participate in the APHA, but take-up was slow. In response to the continuing demand for affordable rental housing for older people, and the re-direction of the APHA into the provision of aged care facilities, the Commonwealth in 1969 passed the *States Grants (Dwellings for Pensioners) Act*. This program provided 100 per cent capital grants to the States to provide public housing suited to and for single age pensioners (Kendig 1990, p. 104; Foard et. al. 1994, p. 22). The initial focus on single age pensioners was subsequently broadened in 1974 and 1978 to include other categories of pensioners and married age pensioners. This program was incorporated into the CSHA in 1978 as the Pensioner Rental Housing Program (PRHP) (Foard et. al. 1994, pp. 22-23).

The 1969 legislation marked the beginning of the *second phase* of provision of affordable housing for older people through the CSHA and related programs lasting from 1969 until the early 1990s. During this period, housing for older people was a clearly designated priority and program area, and substantial increases in the number of publicly-provided dwellings for lower-income older people were achieved. This emphasis on affordable housing for older people during this period was compatible with the focus in the 1973 and 1978 Commonwealth-State Housing Agreements on the targeting of public housing on those most in need, defined principally in terms of low income. The 1973 Agreement stressed the importance of public housing being directed at families and individuals with an income of less than 85 per cent of average weekly earnings. This emphasis on tighter targeting by income was reinforced by the introduction of 'market rents' in the 1978 Agreement that encouraged higher income tenants to vacate public housing (AIHW 1993, pp. 50-51). During the 1970s and 1980s older renters living solely or mainly on the age pension were viewed as one of the principal categories of lower-income people who could be provided with housing assistance through the public housing system.

The level of funding provided by the Commonwealth for pensioner rental housing was modest during the first decade of the program, but more than doubled to around \$30-38m per annum during the decade after 1978 when the program was incorporated into the CSHA (Kendig and Stephens 1987, p. 309). However, during the mid and late 1980s and early 1990s the level of funding under the program gradually declined in real terms. In 1982-82 the PRHP was 5.2 per cent of total funds provided to the States under the CSHA. By 1991-92 this had declined to 3.4 per cent (Foard et. al. 1994, p. 23). During this period several States made comparatively large contributions of their own funds and un-tied CSHA funds to housing for older people. For example, the NSW Government's Aged Persons' Housing Construction Program had a budget of \$96m in 1988-89 alone, compared with \$37.5 allocated throughout Australia in that year via the PRHP (Kendig 1990, p. 105).

As a consequence of the PRHP and similar State-funded programs the number of dwellings for older people held by SHAs rose substantially during the 1970s and 1980s (Kendig and Stephens 1987, p. 68). Between 1969 and 1985 the total stock of pensioner dwellings held by SHAs rose from 10,564 to 37,628 (Kendig and Stephens 1987, p. 68), constituting 13 per cent of all public housing dwellings (Foard 1994, p. 45). Funds allocated under the PRHP were allocated amongst the States in proportion to the number of pensioners in each State (Foard 1994, p. 22). However, significant differences amongst the States in levels of provision emerged reflecting differences in State and Territory commitment of untied CSHA funds to this area. For

example, by 1986 NSW had a substantial stock of 13,747 dwellings compared to a mere 2,978 in Queensland. Nevertheless, waiting times continued to be several years throughout the country, with the longest waiting times of over four years in NSW, paradoxically the State with the highest level of provision (Kendig and Stephens 1987, pp. 66-68).

During the 1970s and 1980s, older people became established as one of the main population groups within the public housing system. This partly reflected the impact of the PRHP and related programs that provided dwellings specifically designed for older people. But it was also a consequence of the focus of the CSHA during this period on lower-income people, especially pensioners, and of the ageing of the population of long-term public housing tenants living in generic public housing stock. By 1986 almost 25 per cent of all public housing households were headed by a person aged 60 or over (Kendig 1990, p. 105). In the early 1990s, Foard estimated on the basis of the *ABS Income, Housing Costs and Amenities Survey* that in 1990 29.2 per cent of public housing tenancies had a household head aged 60 or over, comprising 6.5 per cent between 60-64, 7.5 per cent between 65 and 69, and 15.2 per cent aged 70 or over (Foard et. al. 1994, p. 144).

The PRHP, with its focus on increased dwelling stock for aged and other pensioners, was formally discontinued as a separate program in the early 1990s (Department of Social Security 1997, p. 31). This signalled the commencement of the *third phase* of CSHA policy concerning older people, from the mid 1990s to the present, during which an explicit focus on older people as a priority group disappeared from the CSHA policy agenda. During this period, there was a decline in funding for the CSHA in real terms, a move towards payment of rent assistance rather than direct public housing provision, encouragement of affordable housing provision through the private and community housing sectors, and an increased emphasis on providing priority access to public housing to those with special needs and priority housing needs (Badcock 1999; Caulfield 2000; AIHW 2001, pp. 70-72; Yates 1997). The Australian Urban and Regional Development Review commented in 1994 that in the light of these emphases which were emerging in the early 1990s, 'greater focus on the supply of housing for older persons against other areas of high need may be difficult to sustain' (AURDR 1994, p. 88).

Even though population ageing was emerging during this period as a major emphasis of Australian Government policy, these other priorities dominated funding provided through the CSHA during the 1990s and early 2000s. The provision of public housing to older Australians was not an articulated national housing priority in the 1996, 1999 or 2003 CSHAs. The performance indicators used to measure outputs and outcomes of the CSHA funding programs since 1996 do not refer to older Australians, other than households deemed to be 'special needs' households on the basis of the principal tenant being aged 75 years and older. It is only in 2003-2004 that comprehensive data on the age of public housing tenants has been restored to the annual reports on the CSHA (Department of Family and Community Services 2005, p. 128).

In the light of these policy emphases, it is perhaps surprising to find that the available data suggest the number and proportion of older persons in public housing has increased considerably between 1990 and 2004. Data collected by the AIHW under the National Housing Data Agreement indicates that the proportion of public housing households headed by a person aged 65 or over in 2004 was 28.2 per cent (AIHW 2005, p. 447), compared with the estimate of 22.7 per cent (approximately 80,350 households) in 1990 (Foard et. al. 1994, p. 144). Some caution in use of these figures is in order as the 1990 and 2004 estimates are based on different methods of calculation, the former being based on survey data subject to sampling error and the

latter based on a national enumeration. Nevertheless, it can be concluded that the proportion of public housing households headed by a person aged 65 and over has continued to rise during this third phase and is now approaching 30 per cent of all public housing households. The factors underpinning this increase are considered further in section 4.3.2.

The figures cited above refer to mainstream public housing provided through successive CSHAs. It is important to also note two additional sources of housing for older renters supported by the CSHA: State owned and managed Indigenous housing (SOMIH) and community housing. Households headed by an older Indigenous person (aged 50+) comprise 30 per cent of housing provided through the SOMIH program (3,658 households). Of these, 27.3 per cent are households headed by a person aged 65 or over. Compared to mainstream public housing, SOMIH is a small program assisting 12,219 households compared with 336,250 households in mainstream public housing in 2004.

Community housing is a relatively small but steadily growing housing sector that also plays a significant role in the provision of affordable rental housing for older people. In 2004 the CSHA provided support for some 1,100 organisations managing 26,753 dwellings, about 7 per cent of all CSHA-funded housing (AIHW 2005, p. 302). There is also a significant community housing sector outside of the CSHA (about 15,000 dwellings), an Indigenous community housing sector (some 21,000 dwellings), a crisis and transitional housing sector that receives CSHA funding (7,000 dwellings), and the independent living unit sector originally funded through the APHA and discussed in section 4.2.2 (AIHW 2005, pp. 302-303). CSHA-funded community organisations were reported to be supporting 2,558 households where the principal tenant was 65+ in 2003 (AIHW 2003, p. 11), although this may be an under-estimate due to incomplete data. In 2003 it was reported that 85 CSHA-funded community housing organisations targeted people aged over 65, and a further 8 targeted people over 75 (AIHW 2003, p. 10). It is important that community housing be recognised as a significant provider of affordable rental housing for older people, but the growth of this sector's provision of older persons' housing is slow, and with the exception of the independent living unit sector, is still small relative to public housing.

In summary, the CSHA has been a significant vehicle for the provision of affordable rental housing to older people since 1945, and the main vehicle since the 1970s. In the 1970s and 1980s the CSHA was used to rapidly expand rental housing provision for older Australians. During the 1990s this emphasis competed with other priorities, but the number of older people in public housing continued to rise. The expansion of affordable rental housing for older people is not at this point an identifiable national policy priority of the CSHA, and the main expansion of housing assistance for lower-income, older Australians at the national level during the 1990s has been in the provision of rent assistance to older renters in the private market.

4.2.3 Commonwealth Rent Assistance

Older, lower-income renters who are unable to access public housing, or who choose to rent privately, may receive housing assistance in the form of rental assistance provided by the Australian Government as part of the national income security system. Commonwealth Rental Assistance (CRA) is a non-taxable income supplement paid to recipients of a Centrelink pension or allowance who are private renters. It aims to reduce the proportion of a household's budget to be spent on housing. The rate of CRA varies according to household composition and rent paid, and is indexed to the Consumer Price Index (AIHW 2004).

CRA is historically part of the income security system, but it has incrementally become the major national, housing assistance program for renters in Australia. It originated in 1958 as a supplement to single age, widow and invalid pensioners and was gradually extended to cover most income security recipients renting privately by the mid 1990s (Hulse 2002, p. 15). Since 1995-96, Australian Government recurrent annual expenditure on rent assistance through the CRA has exceeded that on social housing through the CSHA. In 2003-04, Australian Government expenditure on CRA was \$1,953m compared with \$1,285m on the CSHA, a ratio of 1.52:1 (AIHW 2005, p. 444).

In June 2002, 16.3 per cent of CRA recipients (approximately 148,000 'income units') were age pensioners, and 11.2 per cent of all age pensioners were in receipt of some level of CRA (AIHW 2004, p.19). Comparing with the data presented in section 4.2.2, this indicates a ratio of persons aged 65+ in receipt of CRA to persons aged 65+ in public housing of approximately 3:2. It is likely that total Australian Government expenditure on older persons in public housing still exceeds that on older people in receipt of CRA, due to the higher unit cost of subsidies to public housing tenants. Nevertheless, older renters are more likely to receive housing assistance in the form of rent assistance than in the form of direct provision of public or community housing.

The steady growth in expenditure on CRA since the mid 1990s reflects a number of factors including the demand-driven nature of CRA expenditures, and the lack of expansion of overall public housing provision over this period. Politically, this can be explained in part by a general preference at the national level for demand-side rather than supply-side subsidies. However, efforts in the mid 1990s to develop an integrated policy approach in which the Australian Government took full responsibility for income support and housing affordability and the States and Territories took responsibility for providing housing services were inconclusive (Hulse 2002, pp. 15-16). In the area of rental housing provision for older people, this has resulted in a situation in which a declining proportion of lower-income older people are able to access public housing and an increasing proportion are reliant on housing assistance through the CRA and housing supply through the private rental market (Table 7).

This situation of increasing reliance on demand-side subsidies through the CRA raises three issues in the area of affordable housing for older people: affordability, availability of supply, and horizontal equity.

Housing affordability is conventionally measured in terms of the proportion of total income spent on housing costs, with 25 per cent or 30 per cent of income spent on housing defined as the point at which housing may be deemed to be 'unaffordable'. Measuring affordability in this way, AIHW data indicates two main impacts of CRA for older renters (AIHW 2005, p. 441). Firstly, CRA has a major positive impact on housing affordability for CRA recipients aged 65 and over. Whereas 19.9 per cent of CRA recipients paid 25 per cent or less of their income on housing costs in 2002 'before CRA payment', 57.4 per cent paid 25 per cent or less 'after CRA payment'. Secondly, prevailing levels of payment of CRA left many CRA recipients aged 65 and over paying high proportions of their income on rent. Of all CRA recipients aged 65 and over, 12.9 per cent paid 25-30 per cent of their total 'after CRA' income in rent, 23.2 per cent paid 30-50 per cent, and 6.5 per cent paid 50 per cent or more. In summary, on this criterion of housing affordability, CRA is partially successful, but still leaves approximately one-quarter to one-third of older private renters in housing stress, including more than one in twenty in extreme housing stress (those paying 50 per cent or more of their total income in rent).

The second issue is that of availability of supply of appropriate, affordable housing for older people in the private rental market. The decline in supply of low-cost rental

housing since the mid 1980s has been extensively documented and discussed (Yates and Wulff 2000; Hulse 2002, pp. 20-22). There has been limited systematic study of the difficulties experienced by older people in accessing suitable accommodation in the private rental market (Purdon Associates and Twyford Consulting 2000, pp. 94-100), although sections 3.2.4 and 3.4.2 of this report present evidence of limited control over quality of housing, insecure tenure, limited choice, and affordability problems for many older, lower-income private renters. There is considerable evidence that the private sector has responded to supply shortages in some locations and the demand subsidies provided through CRA with the extensive development of 'affordable rental villages' for older people (as discussed in chapters one, three and five of this report). As yet there has been little systematic analysis of the quality and appropriateness of this housing form. It can be argued that a combination of demand and supply side policies will be necessary in order to address the housing needs of people on low incomes (Foard 1995, p. 30), including lower-income older people.

Finally, there are significant issues of horizontal equity between those older people receiving housing assistance via public housing and those receiving CRA. Rent rebates in public housing are set to ensure affordability in most circumstances, whereas the formula for setting the level of CRA results in affordability problems for households with high housing costs. Historically, the different forms of assistance provided have resulted in the average level of assistance to public renters exceeding that to private renters (Yates 1997).

In summary, CRA has become the most common form of housing assistance for lower-income, older renters. The provision of CRA has significantly improved housing affordability for many older renters. However, the absence of an integrated approach to supply and demand side measures has resulted in ongoing problems of affordability and availability for many other older, lower-income private renters, and issues of horizontal equity between older public and private housing tenants.

4.2.4 Home-based aged care programs

In addition to the three main forms of direct Australian Government housing assistance to lower-income, older renters over the past 60 years – APHA, CSHA and CRA – a number of other national programs have a direct bearing on rental housing provision for lower-income older Australians. The implications of the Home and Community Care Program (HACC) and other home-based aged care programs are briefly considered in this section, and the implications of the Supported Accommodation Assistance Program (SAAP) are considered in section 4.2.5.

As indicated in Table 1, several existing and emerging rental housing forms for older people involve the provision of care and support services of various kinds. The relationship between housing forms and the provision of care and support services for older people has been long recognised as a key issue in the development and design of housing options for many older people, including older renters (Howe 1992, pp. 87-107). However, during the past two decades, home-based care and support services for older people have developed mainly as part of the national aged care system, and have been centrally focused on the policy objective of achieving an appropriate balance between residential and home-based aged care provision (Gibson 1998, pp. 35-44). While some policy attention has been paid to the links between the provision of housing for older people and the provision of home-based aged care services (AURDR 1994, pp. 54-65), it is generally the case that these have developed as distinct and separate policy and service systems.

Home-based care and support services for older people have been funded nationally since 1984-85 by the Home and Community Care program (HACC), administered

nationally by the Department of Health and Ageing (DOHA). The HACC program receives matching funding (60:40) from the States and Territories. While HACC services are directed towards people of all ages who have a disability or are frail, over three-quarters of those receiving HACC services are aged 65 and over (AIWH 2005, p. 163). HACC supports a range of service types including home nursing, home help, delivered meals, respite care, home maintenance and modification services, and personal care services. The impetus for the creation and development of the HACC program was the policy objective of deinstitutionalising the Australian aged care system through the expansion of the home care sector and the reduction of residential care (Gibson 1998, p. 35). The program has been based on the premise that most people value being able to live in their own home, and that many older people require various forms of assistance to enable them to do so (AIHW 2005, pp. 148-151).

The HACC program grew rapidly during the 1980s and 1990s both in the levels of funding and services provided, and as a proportion of the total aged care budget (Gibson 1998, pp. 64-69). The Australian Government provided \$792 million for the HACC program in 2004-05, and this is predicted to increase to over \$1 billion by 2007-08 (Australia Department of Health and Ageing 2004, p.14). The use of HACC services is widespread amongst Australia's older population, with at least 210 of every 1000 persons aged 65 or over using a HACC-provided service in 2003-04 (AIHW 2005, p. 163). Older renters are slightly over-represented amongst HACC users relative to the proportion of rental households in the older population. Public and private renters accounted for 9.3 per cent and 8.2 per cent respectively of all HACC clients in 2003-04. The proportion of HACC users in independent living units in retirement villages was 3.4 per cent, and it was 0.3 per cent in boarding houses/private hotels (Australia DOHA 2004, pp. 7 & 25).

Home-based care for older people is also provided by way of Community Aged Care Packages (CACP). The CACP program, funded solely by the Australian Government and administered by DOHA, provides home-based personal care, domestic assistance and related services for older people assessed as eligible for admission to low level residential care. The program's origins are in the 'hostels options' projects of the late 1980s and early 1990s that provided home-based services to older people as an alternative to admission to residential care (Gibson 1998, pp. 37-38). The CACP program has expanded rapidly from its beginnings in the mid 1990s and in 2003 provided services to around 28,000 older people at a cost of \$307.9 million. Extended Aged Care at Home (EACH) packages introduced in 1998, provide extended home-based care services additional to those provided through CACPs for older persons eligible for higher level residential care. In 2003-04 more than 900 older Australians were provided with EACH packages at a cost of \$31.8 million (Australia Department of Health and Ageing 2004, pp.17-18).

The dominant approach of the Australian Government's home-based aged care provision since the 1980s through HACC, CACP and EACH has been to bring care and support services to people living in their private homes. However, as discussed in earlier chapters, during this period there has also been an expansion of forms of housing for older people, especially older renters, that includes provision of care and support of various kinds. These housing forms include rental retirement complexes, assisted-living rental villages, small-scale communal housing, and some community and cooperative housing (Table 1). These two processes – bringing care/support to private homes and providing housing that incorporates care/support - are both responses to the preferences of many older people to live in independent housing and receive care and support services appropriate to their circumstances. However, the connections between the development of home-based aged care services and the

development of housing forms incorporating care/support during the past two decades are not especially well developed at the policy or service delivery levels.

One Australian Government program that does bridge the housing and aged care policy fields is the Assistance with Care and Housing for the Aged program (ACHA), which commenced in 1993 with the aim of providing support to older people living in insecure or inappropriate rental housing, and older people who are homeless. The ACHA program funds community organisations to provide support workers to link older people with more secure housing and with care and support services. The program has demonstrated the importance of secure housing as a base for provision of care and support services to this population group, and the need for more effective links between community care and housing providers (Roberts 1997, pp. 101-104).

There have also been other initiatives at Australian Government level to address the institutional barriers between home-based aged care and supportive housing. A pilot program on housing and care linkages developed in the context of the CACP program demonstrated how intensive community care can be delivered to public housing tenants (Kendig 1997, p. 189). The Retirement Villages Care Pilot that commenced operation in 2003 was established to demonstrate how provision of additional aged care services to residents of retirement villages could assist them to defer any move to a residential aged care facility (www.health.gov.au/internet/wcms/publishing.nfs/content/ageing-rvcp-index.htm).

Other initiatives by State and Territory Governments to link housing and care are considered later in this chapter. Clearly, comprehensive strategies to ensure the provision of affordable rental housing for lower-income older Australians need to take account of the emerging forms of housing that incorporate care and support, the provision of home-based care and support in conventional rental housing, and the links between the two.

4.2.5 The Supported Accommodation Assistance Program

The Supported Accommodation Assistance Program (SAAP) is a national program jointly funded by the Australian and State and Territory Governments to provide transitional accommodation and support services to people who are homeless or at risk of homelessness. Services are provided by community organisations and local authorities and the program is administered at the State and Territory level (Australia Department of Family and Community Services 2003, p. 2). The definition of rental housing adopted for this study excludes emergency and short-term housing (section 1.3.3). However, SAAP, like the ACHA program discussed in section 4.2.4, bears directly on the provision of rental housing to older people who are insecurely or marginally housed, or homeless.

The definition of the older population used in SAAP refers to people aged 50 years and over. Using this definition, older people comprise approximately 9 per cent of SAAP clients, a total of 8,580 older persons in 2000-01 (Australia Department of Family and Community Services 2003, p. 2). Older people seeking short term accommodation and support from SAAP services seek assistance with a range of issues including domestic violence, financial difficulty, psychiatric illnesses, and alcohol and substance abuse, as well as housing issues. There is evidence that this group of older people require specialist support services, as they experience difficulties in accessing mainstream housing and other services. It was suggested in 2003 that the way forward is a collaborative approach amongst organisations responsible for housing, SAAP and other community services to provide targeted services for the elderly homeless population (Australia Department of Family and Community Services 2003, p. 41).

4.2.6 Summary

The provision of rental housing for lower-income older Australians has been profoundly shaped by the policies and programs of the Australian Government over the past sixty years. Each major national initiative has resulted in a new layer of rental housing provision located in the community, public or market housing sectors. The Australian Government has never been a direct provider of rental housing for older people, but at each stage its policies and programs have shaped provision by the States and Territories, local authorities, community housing organisations, and the suppliers of private rental housing. At particular points in time, the Australian Government has deliberately sought to expand housing provision for older people, firstly through the APHA and then through the PRHP of the CSHA. However, since the early 1990s no clear policies relating to rental housing provision for older Australians have been articulated. This is despite the focus on ageing as a theme in national policy during this time (section 1.2.2), and the growing and anticipated demand for housing for lower-income older renters, as documented in chapter two. Since the early 1990s the supply of rental housing products for lower-income, older people has diversified somewhat and the private sector has become a significant provider of housing explicitly targeted to this group. There has also been a major emphasis during this time on the homes of older people as a key site for the delivery of aged care services. Australian Government policy during this period has focused on the development of strategies for aged care provision, and rental housing provision for lower-income older people has been viewed as primarily a responsibility of the State and Territory Governments. Their policy responses are considered in the next section of the report.

4.3 Policy and provision in the States and Territories

All State and Territory governments are involved in the supply of affordable rental housing, mainly through the public housing systems in each jurisdiction, but also via support of community housing and through joint venture arrangements with the private sector. In the context of this report, the central question is the extent to which policies and systems are in place to meet the level and nature of demand identified in chapters two and three. This requires an analysis of overall policies for affordable housing provision for older people in the States and Territories (section 4.3.1), of public housing provision (section 4.3.2), of the role of the community sector (4.3.3), and of the extent of joint ventures and partnerships with the private sector (chapter five).

4.3.1 Policy identification and articulation

The provision of affordable rental housing for older Australians can be viewed as a component of the whole-of-government ageing policies of the Australian States and Territories; as part of the social housing and housing affordability policies of SHAs; and as part of State and Territory Government policies concerned specifically with housing of older people. Three sets of policy documents associated with each of these policy contexts can be identified. At the most general level, all State and Territory Governments in recent years have developed overarching plans and strategies to address policy issues linked to the ageing of the population. All States and Territories also have social housing policies and strategies that are concerned broadly with the role of the social housing system, and the system's links to wider issues of housing affordability. Several jurisdictions have also at various times developed strategies or policy statements concerned specifically with housing of older people. Analysis of each of these indicates the extent to which, and the ways in

which, affordable rental housing for older people is identified and articulated as a policy focus across the States and Territories.

State and Territory ageing policies

The need to respond at whole-of-government level to the ageing of the population is widely acknowledged in all States and Territories. The Australian, State and Territory Governments jointly developed a strategy on healthy ageing in 2000 (Healthy Ageing Task Force 2000) to signify a collaborative approach to ageing policy. Under the heading of ‘inclusive communities’, this strategy drew attention to issues of housing design, the coordination of urban planning and housing, and the relations between housing and care. During the last decade each State and Territory has developed, or is in the process of developing, its own whole-of-government strategy on ageing, as shown in Table 26. In most instances these strategies have been developed by the State or Territory Offices on Ageing (or similar), which are variously located in Departments concerned with human services, ageing, or community development, or in the Department of the Premier or Chief Minister.

Most commonly these strategies comprise broad statements of principles to guide policies directed towards older people, together with listings of proposed initiatives grouped under major themes. The housing of older people tends to be considered as part of one or other of two types of themes: ‘community living’ and ‘infrastructure and the built environment’. The most commonly mentioned housing issues include the need to increase housing options for older people, the importance of improving housing design, issues of safety and security, and the relations between housing and care. The need to increase the provision of affordable housing, particularly through the social housing sector, is mentioned in several of the State and Territory strategies, but rarely highlighted. In short, the housing of older people is recognised as one component of ageing policy in these strategy documents, and the provision of affordable rental housing for older people receives some attention in this context.

Table 26: Housing issues in the ageing strategies of the States and Territories

State/ Territory	Policy documents	Date	Housing coverage and issues
Australian Capital Territory	ACT Ministerial Advisory Council on Ageing: <i>Strategic plan 2003-2005</i>	2003	Housing addressed under theme of ‘Transport, accommodation and planning’. An emphasis on provision of affordable housing options for older people, and provision of land for age-friendly housing.
New South Wales	<i>NSW healthy ageing framework 1998- 2003</i> [a new framework for 2006-2010 is under development]	1998	Housing addressed under the theme of ‘supportive neighbourhoods and communities’. Emphases include increasing housing options for older people, and providing opportunities for culturally diverse populations.
Northern Territory	<i>Building the Territory for all generations: a discussion paper on active ageing in the Northern Territory</i>	2006	Discussion paper includes consideration of housing under theme of ‘infrastructure’. Issues include retirement villages and older renters.

State/ Territory	Policy documents	Date	Housing coverage and issues
Queensland	<i>Our shared future: Queensland's framework for ageing 2000-2004</i>	1999	Housing considered as part of 'community infrastructure'. Emphases include increasing housing options for older people, and improving housing design.
	<i>Queensland 2020: a State for all ages</i>	2003	No special focus on housing in this Discussion Paper which is focused on wider themes.
South Australia	<i>Ageing: a ten year plan for South Australia</i>	1996	Housing a prominent theme under "living in the community". Focus on provision of housing options for older people, housing standards, housing information, and linking housing and care.
	<i>Improving with age: our ageing plan for South Australia</i>	2006	Housing identified as a key theme with focus on adaptable design, housing in rural communities, assisting people to stay in their own homes, information services.
Tasmania	<i>Tasmanian plan for positive ageing 2000-2005</i> [a new plan for 2006-2011 is to be released in 2006]	1999	Housing considered under theme of 'living in your community'. Issues addressed: safety and security audits for older persons housing; caretaker models to support older people in tenancies in public housing; increasing housing options and choices for older people, including lower income older people.
Victoria	<i>Making this the age to be in Victoria</i>	2003	No particular emphasis on housing in this 'forward agenda for senior Victorians'. Some housing initiatives listed under 'the age to be involved'.
Western Australia	<i>Generations together: the Western Australian active ageing strategy</i>	2004	A number of housing initiatives listed under the priority area 'planning and the built environment', but no special emphasis on housing issues.

State and Territory social housing and housing affordability policies

All States and Territories have policies and strategies concerning the social housing system and the provision of affordable rental housing. Formal policy statements concerning the role of the public or social housing sector are primarily (although not solely) expressed through State housing plans (South Australia, Western Australia), housing affordability strategies (ACT, Northern Territory, Tasmania), plans for the future of social or public housing (NSW, Queensland), or corporate planning documents (Victoria). These documents focus, amongst many other matters, on the primary purposes and directions of the social housing system, and the closely related issue of the population groups whose housing needs should be the focus of the social housing system. Table 27 summarises the extent to which older people are identified in these documents as a priority group for the social housing systems in the States and Territories, and the 'fit' between this population group and broader social housing policy goals.

A number of common themes characterise social housing and housing policies across the States and Territories, although there are significant differences of emphasis. All jurisdictions emphasise the need to target social housing resources on priority need

groups including households with complex needs, people with a disability, Indigenous households, people at risk of homelessness, young people, and other groups. All jurisdictions also emphasise, to varying degrees, the need to view social housing as a 'housing safety net' and to provide secure, client-focused, supportive housing. The need to address housing affordability issues through a combination of public, community and market-based housing providers, and the need for more effective partnerships across sectors, is also widely emphasised.

In the context of these policy themes, varying levels of attention are paid to the issue of social housing provision for older people. In some jurisdictions, older renters are clearly identified as a special need group, both in terms of their generally low income, their difficulties in accessing the private rental market, and their complex needs, including the need to link housing and care services and to provide appropriately designed dwellings. Frail elderly people are particularly singled out as a special needs group in some jurisdictions. Several States and Territories pay particular attention to the anticipated strong increase in demand for affordable rental housing in forthcoming decades due to population ageing, and hence the need to monitor demand and supply trends. NSW, for example, announced a program to increase the provision of seniors housing by 10 per cent over the next five years (NSW Legislative Assembly Hansard 21 May 2005, p. 22387). Tasmania identifies lone persons aged over 65 as one of four key target groups in their affordable housing strategy.

However, the level of attention to future demands on the social housing system by older lower-income renters is mixed, and policy attention in some jurisdictions appears to be more clearly focused on other groups with complex housing and support needs. As will be seen in section 4.3.2, older renters currently comprise a large proportion of social housing tenants in most jurisdictions. However, they are not highlighted as a central focus for policy development and forward planning in most recent State and Territory social housing and housing affordability policy statements. In most jurisdictions they are viewed as one of many social groups who have claims on an increasingly stretched and targeted social housing system, rather than as a focus for policy and provision as part of a more generalised response to the ageing of the population.

Table 27: Older people in the social housing and housing affordability policies of the States and Territories

State/ Territory	Policy documents	Date	Emphasis on older people and 'fit' with wider policy objectives
Australian Capital Territory	<i>Affordable housing in the Australian Capital Territory: report of the Ministerial Taskforce on Affordable Housing</i>	2002	Housing affordability identified as an issue requiring involvement of all housing sectors, and greater targeting within the social housing system. Older renters on income support identified as one special need group in housing stress, and older people generally identified as having a range of housing related issues.
New South Wales	<i>The NSW Government's plan for reshaping public housing</i>	2005	Public housing's central role is to focus on people in greatest need, particularly people dependent on social security payments. The number of older people who need public housing is anticipated to grow by 35% over the next 10 years. Frail elderly (over 80) people and aged pensioners identified as amongst the groups in strongest housing need.

State/ Territory	Policy documents	Date	Emphasis on older people and 'fit' with wider policy objectives
Northern Territory	<i>Home Territory 2010 strategy</i>	2004	A sustainable social housing system, with public and Indigenous housing at the core, and with an emphasis on both targeting and security of tenure, viewed as central to housing affordability strategies. Older people not identified as a special needs group.
Queensland	<i>Improving people's lives through housing</i>	2000	Greater attention to client service and targeting within the social housing system, complemented by measures to increase the supply of affordable housing. Acknowledgement of the increasing proportion of older people in the population, but older people not highlighted as a vulnerable group.
	<i>Affordable housing in sustainable communities</i>	2001	
South Australia	<i>Housing plan for South Australia</i>	2005	Delivering quality housing for all requires partnerships amongst all housing sectors. Social housing is focused on high needs tenants, and affordable housing will increasingly be provided through other partnerships and programs. Increasing numbers of older people require housing that provides flexibility, adaptability and support to enable them to age in place. There is a necessity to monitor need and supply trends for seniors.
Tasmania	<i>Affordable housing strategy Tasmania 2004-2008</i>	2003	Housing affordability requires partnership amongst all sectors and effective targeting within the social housing system. Rapid growth of the older population identified as a driver, and lone persons over 65 identified as a key group in housing stress, likely to double in size by 2026.
Victoria	<i>Partnerships for better housing assistance: Housing and community building's strategic framework 2004-09 (and related documents)</i>	2004	Strong emphasis in social housing policy on priority for households with complex needs, people with a disability, and people at risk of homelessness. Supply of affordable housing to be increased via establishing housing associations, with a range of target groups, including older people.
Western Australia	<i>Housing strategy WA: discussion draft</i>	2006	Social housing and housing affordability viewed in the wider context of the housing system. A secure and affordable social housing system focused on priority need groups viewed as a 'housing safety net'. Older people identified as a vulnerable and 'priority need' group, particularly in the context of an ageing population, and strategies to provide support and advice to older people are identified.

State and Territory reports on housing and ageing

During the past two decades there have only been a limited number of State and Territory reports specifically focused on housing and ageing. The study of housing for older people prepared for the National Housing Strategy identified a number of reports produced in Victoria, South Australia, Western Australia, the ACT, NSW, and Queensland during the 1980s and early 1990s (Howe 1992, p. 6). Since that time, the only States to have developed detailed reports on older persons' housing are South Australia and NSW.

A detailed analysis of strategic directions for housing older people was developed by the South Australian Department of Human Services in 2003 (South Australia Department of Human Services 2003). The report, entitled *Supporting independent living: strategic directions for housing older people*, provided a comprehensive

analysis of housing demand and supply for older people, but it does appear to have been widely adopted as a basis for planning housing services for older people in South Australia.

In NSW, the Department of Housing in 2001 developed a Healthy Ageing Framework Action Plan around housing issues as part of a whole-of-government planning process (NSW Department of Housing 2001). In 2005 the NSW Department of Housing developed an older persons' housing strategy leading to the announcement in April 2006 of a plan to increase the amount of public housing stock available to older people by 10 per cent to around 30,000 dwellings. This plan was based on Departmental projections of greatly increased demand for housing from older people as a consequence of the ageing of the population.

In addition to these reports, a number of consultations have been held from time to time on housing issues facing older people. For example, a report on the housing choices of older home owners in NSW was prepared by the NSW Committee on Ageing in 2002 (NSW Committee on Ageing 2002). Housing Tasmania co-hosted a two-day forum in 2000 entitled *Taking Action – Housing Options for Older People* (Tasmania Department of Premier and Cabinet 2005, p. 26). A detailed discussion paper on *Housing Options for Older People* was prepared under the auspice of Shelter South Australia in 2002 (Guster 2002).

In summary, the identification of affordable rental housing for older people as a policy concern and the articulation of policies and plans for future provision and services are unevenly developed at the State and Territory levels. Housing is widely recognised as a significant component of whole-of-government ageing policies, and older people receive acknowledgement as a group with particular housing needs in the social and affordable housing policies of most States and Territories. However, in most States and Territories the issue has tended to be addressed as an element of wider ageing or affordable housing policies rather than as an issue commanding systematic attention in its own right.

4.3.2 Public housing provision for older people

Most social housing for lower income older Australians is provided through the public housing systems of the States and Territories. As shown in section 4.2.2, older people have from time to time been an important focus of these systems as a consequence of the priorities of the CSHA and of individual States and Territories. An assessment of the capacity of the public housing system to respond to emerging demands requires consideration of the current level of provision for older people, allocation and priority policies, the supply of housing designed or designated for older people, and approaches to tenancy management issues particularly the linking of housing and care.

Level of provision

Households headed by a person aged 65 and over are currently one of the largest population groups in the public housing system. The AIHW estimates that the number of public housing tenancies headed by a people aged 65 and over at 30 June 2004 was 94,915, comprising 28.2 per cent of all public housing tenancies. Single person households made up 69.0 per cent of these tenancies and 15.8 per cent were couple only households (AIHW 2005, pp. 299 and 447). As well as being a sizeable proportion of the total population of public renters, older person households are well represented in the public housing system relative to younger person households. Data compiled by AIHW from the ABS Housing Survey 1999 indicates that public rental households comprise 6.9 per cent of all households headed by a person aged

65 or over, compared with 4.7 per cent of all households headed by a person aged under 65 (adapted from AIHW 2005, p. 439).

A number of historical factors account for the relatively high representation of older households in the public housing system. As discussed in section 4.2, for over two decades prior to the early 1990s older people were a priority target group under the CSHA, and many public housing dwellings were constructed specifically for older people. Furthermore, significant numbers of people who entered public housing in earlier decades when lower income families were the priority target group are still living in public housing, now as older people. Older people have continued to be admitted to public housing during the past decade, either as wait list applicants or under priority application categories.

The likely future size and proportion of the older, public renter population will be shaped by this historical legacy as well as by future demographic and policy developments. The number of older people in public housing during the next two decades will depend in part on the size of the cohorts of public housing tenants now aged 45-65, and their propensity and opportunity to remain in public housing in older age. There is also a strong likelihood of increasing demand stemming from the rapidly growing population of older renters, described in chapter 2. As shown later in this section, several SHAs have significantly added to their stock of housing suited to older people in recent years, and some have plans for significant further extension of this stock. Set against these factors is the priority now being given by public housing systems to other population groups and the likelihood that the overall supply of public housing will not increase. Older people as a group will undoubtedly experience intensified competition for access to public housing in many, if not all, jurisdictions.

The impact of these past and anticipated factors vary amongst jurisdictions depending on the age structure of the population in each State and Territory, the current age structure of public housing tenants, allocation and priority policies, the availability of public housing stock suited to older people, and housing opportunities for older renters in the community sector and the private rental market. Differences amongst SHAs with respect to the number of older tenants and occupants are shown in Table 28 and Table 29. Based on data supplied by SHAs, 28.4 per cent of all public tenancies have a principal tenant aged 65 or over, ranging from 22.1 per cent in Tasmania to 32.1 per cent in South Australia. As older households are generally smaller in size than younger households, the proportion of older occupants is lower. Overall 17.1 per cent of occupants of public housing are 65 and over, ranging from 22.7 per cent in South Australia to 11.9 per cent in the Northern Territory.

Table 28: Public housing tenancies with principal tenant aged 65+ in the States and Territories, 30 June 2006

State/ Territory	65-74			75-84			85+			All public tenancies		
	Total	% 65+	% all	Tot	% 65+	% all	Tot	% 65+	% all	65+	All ages	% 65+
ACT	1386	50.6	11.7	1057	38.6	8.9	294	10.7	2.5	2737	11890	23.0
NSW	18544	51.6	15.2	13837	38.5	11.4	3570	9.9	2.9	35951	121771	29.5
NT	808	68.9	15.6	292	24.9	5.6	72	6.1	1.4	1172	5176	22.6
QLD	7315	57.7	14.9	4395	34.7	9.0	970	7.6	2.0	12680	49011	25.9
SA	6517	47.1	15.1	5765	41.7	13.4	1553	11.2	3.6	13835	43121	32.1
TAS	1434	55.3	12.4	921	35.5	8.0	239	9.2	2.0	2594	11487	22.1

	65-74			75-84			85+			All public tenancies		
VIC	9002	51.7	14.3	6710	38.5	10.6	1709	9.8	2.7	17421	63158	27.6
WA	5206	54.5	16.4	3506	36.7	11.0	836	8.8	2.6	9548	31738	30.1
AUST	50212	52.3	14.9	36483	38.0	10.8	9243	9.6	2.7	95938	337352	28.4

Source: Data supplied by SHAs. Note: Joint tenancies involving more than one person aged 65+ are counted as one tenancy.

Table 29: Public housing occupants aged 65+ in the States and Territories, 30 June 2006

State/ Territory	65-74			75-84			85+			All occupants		
	Total	% 65+	% all	Tot	% 65+	% all	Tot	% 65+	% all	65+	All	% 65+
ACT	1544		7.0	1172		5.3	319		1.4	3035	22051	13.8
NSW	23474	53.5	9.7	16375	37.3	6.8	4042	9.2	1.7	43891	241392	18.2
NT	969	64.3	7.6	450	29.9	3.5	87	5.8	0.7	1506	12685	11.9
QLD	8741	58.9	8.3	5017	33.8	4.7	1088	7.3	1.0	14846	105855	14.0
SA	8388	48.7	11.0	6884	40.0	9.1	1935	11.2	2.5	17207	75917	22.7
TAS	1705	56.5	7.2	1042	34.5	4.4	272	9.0	1.1	3019	23731	12.7
VIC	10692	50.1	8.1	8241	38.6	6.3	2417	11.3	1.8	21350	131751	16.2
WA	6484	56.1	9.9	4138	35.8	6.3	942	8.1	1.4	11564	65658	17.6
AUST	61997	53.3	9.1	43319	37.2	6.4	11102	9.5	1.6	116418	679040	17.1

Source: Data supplied by SHAs.

Priority and allocation policies

A key factor impacting on the capacity of the public housing system to respond to the future demand for public housing from older people is the way that this population group is managed in the priority and allocation policies of SHAs. A variety of means to prioritise applicants for public housing, and to allocate housing are used by SHAs (Hulse and Burke 2005). These processes have become increasingly complex over the past decade, as the public housing system has become more tightly targeted. As indicated in section 4.2.2, public housing in Australia has been changing from a system focused primarily on low income households to one focused on those in housing need and those requiring housing in association with other form of state support. Social groups now targeted in public housing systems include those who are homeless or at risk of homelessness, single parents, and those experiencing problems associated with ill-health (especially mental health), disability, domestic violence or child safety. Historically, older people have been prioritised in public housing primarily as a low-income rather than a 'special needs' group or a group with priority housing needs. The impact of this shift in focus for access to public housing by older people needs to be monitored and understood.

Table 30 provides an overview of formal priority and allocation policies as they relate to older people in each State and Territory. There are significant differences amongst jurisdictions that reflect both the type of allocation system used, and the treatment of older people within these systems. In most jurisdictions older people as such are given no formal priority, and are allocated housing either through wait turn systems or via other priority categories such as health status, disability, urgent need for housing, or similar circumstance. In the ACT, 'frail aged' is an explicit priority category. Only in NSW are older people, defined as those aged 80+ (55+ for Aboriginal and Torres Strait Islander people), expressly given priority. In Western Australia, Queensland, and the Northern Territory, although older age is not a priority category as such, a separate wait list is maintained for older persons' accommodation for those aged over 55. This provides a route into public housing not available to younger applicants. In three jurisdictions (Tasmania, Northern Territory and Western Australia) older people are allowed higher asset limits than younger people under eligibility rules. In the Northern Territory, tenants over 55 are allowed to renew fixed term leases even if they no longer meet eligibility criteria based on income. In NSW, which is moving towards fixed term leases, persons aged 65+ are offered 10-year leases, the longest available.

Processes of allocating older people to particular dwellings are complex and involve a range of considerations including perceived suitability to needs, stock availability, tenancy management issues, and/or issues concerning efficient use of the overall housing stock. In some jurisdictions there are formal policies that explicitly take into account the individual circumstances of older people. For example, in Western Australia there is a policy that enables the provision of an additional bedroom for an older person to live with their family. Two-bedroom units can be allocated on a priority basis to older people with medical conditions, or with special family responsibilities such as special circumstances requiring regular visits by grandchildren. Western Australian public rental policies also enable older people to apply for special transfer to move closer to family. NSW policies emphasise access to medical services, ease of access and mobility, and safety and security as factors to be taken into account in housing allocation for elderly clients.

In practice, allocation decisions are also shaped by the availability of suitable dwellings for older people, both generally and in relation to individual cases. Many SHAs continue to formally designate a portion of their stock as older persons' housing, while others routinely allocate certain dwellings and groups of dwellings to older people for reasons including their suitability to older residents, tenancy management considerations, and historical practices. For example, in Western Australia approximately 30 per cent of the public housing stock is designated for applicants aged 55 and over and older applicants are streamed into this housing. In Queensland approximately 19 per cent of the public housing stock is designated as seniors' units. By contrast, Tasmania and South Australia do not formally designate any housing stock as 'older persons' housing, although informally units in certain housing complexes are typically allocated to older people. Formal designation of a portion of the public housing stock as older persons' housing has the effect of facilitating access to public housing for older people who do not meet 'priority need' requirements. For example, in the ACT older people are reported to have comparatively short waits on the 'standard housing' wait-list due to the relatively strong supply of age-designated public housing. In jurisdictions that do not earmark housing for older people, older people are directly competing with younger public housing tenants, especially for the available stock of 1-2 bedroom dwellings.

The quality and location of the available housing stock also impacts on allocation processes. For example, in South Australia an older person on the wait list may be able to gain relatively rapid access to a cottage flat, as some of this stock is less

popular and more difficult to fill than more recently developed housing. Similarly, it is reported that bed-sitter units in Victoria have a shorter waiting list than 1-bedroom units. Generally, ground-level units are reported to be the most popular with older people, and an older person willing to take an upper-level unit may be more likely to be housed quickly. Housing that is close to shopping, health and other community facilities is in greater demand from older people than less favourably located housing.

Housing allocation also involves consideration of tenancy management issues. Older people are generally viewed as tenants who pose few management problems and this may informally assist them to gain access to certain dwellings relative to other groups of tenants. It is reported by some housing officers that older people as a group have a high take-up rate of housing that is offered to them, and remain in public housing longer than other groups of tenants. Many SHAs locate older people together in certain housing complexes to minimise conflicts between older and younger tenants over lifestyle issues, and to encourage mutual aid amongst older tenants. However, concentrations of older people with high or complex needs may themselves pose tenancy management problems, particularly related to the provision of care and support services.

Finally, issues of efficient stock management are also implicated in housing allocation processes involving older people in many SHAs. An issue facing many SHAs is 'under-occupancy' of three-bedroom and larger dwellings by older singles and couples who are long-term public housing tenants first allocated their dwellings when they headed larger families. For example, data supplied by Homeswest indicated that over 20 per cent of public housing tenants aged 65 and over in Western Australia lived in houses that were 3-bedroom or larger. Some SHAs provide incentives for older people to move into smaller dwellings, while acknowledging the issues of 'ageing in place' involved. In several States and Territories the construction of new one and two-bedroom housing for older people has been driven in part by a need to provide an incentive for older people to move out of larger dwellings.

Priority admission and allocation policies and practices clearly bear on the capacity of the public housing system to meet the needs of lower-income older renters during the next two decades. An indication of the current net impact of the factors discussed above on access of older people to public housing is shown in Table 31. Across Australia people aged 65 and over comprised 11.2 per cent of applicants on wait lists for public housing at 30 June 2005, ranging from 5.5 per cent in the Northern Territory to 13.6 per cent in NSW. During 2005-2006 11.4 per cent of all public housing allocations went to applicants aged 65 and over, ranging from 5.3 per cent in Northern Territory to 14.4 per cent in Queensland. These figures indicate that the number of older people being allocated public housing is currently approximately proportionate to the level of demand from this population group. However, both the proportion of people applying for public housing and the proportion of older people allocated public housing relative to all applicants and allocations are low compared to the number of older people currently resident in public housing as reported in Table 28 and Table 29.

Table 30: Public housing priority and allocation policies for older people in the States and Territories

State/ Territory	Summary of priority and allocation policies as they impact on older people
ACT	Applicants allocated to three categories: priority, high needs and standard. The categories of complex needs listed for priority housing include 'disability, including frail aged'. Other than this specific provision, older people must meet generic requirements for 'priority' or 'high needs' categories, or apply through the 'standard' housing category. Many older people are allocated housing through the 'standard' housing category.
NSW	Applicants allocated on wait turn unless eligible for priority housing or 'housing assistance for elderly clients'. Priority housing is for those with urgent need of housing and unable to resolve that need in the private market, and includes unstable housing (homelessness), at-risk factors (including domestic violence, child abuse), and inappropriate housing (including overcrowding, disability). Eligible applicants aged 80+ (55+ if Indigenous) given priority ahead of wait-turn applicants as 'elderly clients'. A 10 year lease is offered to applicants aged 65+. Local allocation strategies may give priority to older people, e.g. for a particular high rise unit block.
NT	Housing allocated on wait turn basis with provision for priority for people with serious and urgent housing need, i.e. homelessness, disability, serious medical and social problems, family violence. Older people's eligibility is determined in the light of these priorities. Applicants aged 55+ are also placed on a separate wait list for housing designated for older people. Current tenants aged 55+ are allowed to remain in public housing at the expiry of a fixed term lease even if they no longer meet eligibility criteria. Asset limits for eligibility and rent rebates are more generous for tenants aged 55+.
QLD	Housing allocated on a wait-turn basis with provision for 'priority housing' for those with an urgent need for housing in circumstances of domestic violence, serious medical condition or disability, natural disaster, etc. Older people's eligibility for priority housing is determined in the light of these factors. People aged 55+ are entitled to list for seniors' units as well as other types of housing.
SA	A segmented waiting list that gives priority to applicants in urgent need of housing (homeless or at risk of homelessness) and applicants with high/complex housing need (long term access barriers to the private rental market). Older people's priority is determined in the context of these overall priorities.
TAS	A priority points system that allocates according to assessment of housing need. The assessment process does not distinguish older people as such but recognises such relevant factors as health and disability, and need for home modification. Older people are allowed higher asset limits under eligibility rules.
VIC	Housing allocated on 'wait turn' with three 'early housing' categories in the following priority order: recurring homelessness, supported housing, special housing needs. Older people not distinguished as such, but may gain entry under early housing provisions, e.g. older persons in receipt of aged care services admitted under 'supported housing' category. Specific priority for people aged 75+ removed in 1990s. Older persons' access facilitated by high volume of older persons' housing stock.
WA	Housing allocated on a waiting list basis, with priority to those with an urgent housing need related to medical condition, domestic violence, child abuse, racial harassment, etc. Those aged 55+ are put on a waiting list for seniors' accommodation, and may be given priority for this accommodation if they meet the general priority categories, e.g. medical condition. Older people over 60 are allowed higher asset limits under eligibility rules.

Sources: key informant interviews and manuals and documents outlining rental, allocation and priority policies.

Table 31: Access of people aged 65+ to public housing in the States and Territories, 2005-2006

State/ Territory	Public housing applicants on wait lists 30 June 2005			Public housing allocations 2005-2006		
	65+	All	% 65+	65+	All	% 65+
ACT	107	3005	3.6	216	2765	7.8
NSW	9406	68987	13.6	1101	8772	12.6
NT	130	2383	5.5	125	2377	5.3
QLD	4431	35900	12.3	664	4623	14.4
SA	1567	24600	6.4	345	2934	11.8
TAS	218	3400	6.4	71	1255	5.7
VIC	3759	35416	10.6	715	5465	13.1
WA	1338	13374	10.0	408	3704	11.0
AUST	20956	187065	11.2	3645	31895	11.4

Sources: Data supplied by SHAs.

Provision of housing stock designated and designed for older people

As discussed earlier in this chapter, the provision of publicly-funded affordable housing specifically designed and designated for older people has a long history dating back to the housing funded under the Aged Persons Homes Act from the 1950s to the 1970s, the housing provided under the Pensioner Rental Housing Program of the CSHA from the 1970s to the early 1990s, and similar housing provided during the past fifty years by SHAs. Various described as 'elderly persons' units, 'older persons' units, 'pensioner units', 'cottage flats' and 'bed-sits', dwellings designed and designated for older people have comprised a significant proportion of the public housing stock for over fifty years. In NSW and Victoria high-rise flats were constructed to house significant numbers of older people especially in near inner-city locations. However, the ageing of much of this public housing stock, together with the termination in the early 1990s of funding through the CSHA for housing specifically designated for older people, have resulted in a new approach to the development of housing stock for older people in all SHAs during the past decade.

The first development has been the demolition, redevelopment, up-grading or modification of much of the older-style stock and the building of different housing mainly in the form of small and medium-size clusters of 1-2 bedroom units, as well as some new high-rise. This is a consequence both of the general deterioration with age of much of the older style stock, and of changing community expectations regarding housing standards for older people. While a significant number of older-style dwellings are still in use, they can be difficult to allocate unless situated in prime locations, as well as being expensive to maintain. Most new public housing for older people is in the form of clusters of 1-bedroom or 2-bedroom units. In Victoria, NSW, and to a lesser extent Western Australia, there are medium-rise and high-rise towers occupied solely or partially by older people, some built during the earlier phases of expansion of housing for older people and some of more recent origin. In Victoria, some 2000 moveable units (previously referred to as 'granny flats') continue to be available to people aged 55+ and younger people with a disability. These self-contained flats are usually placed on the property of family or friends.

In most States and Territories housing for older people has received a high priority in recent years relative to other stock. For example, of all new dwelling

commencements in the Queensland public housing system from 1998/99 to 2003/04, approximately 32 per cent were seniors' units. In Victoria some 32 per cent of all public housing stock additions in the 1990s were older persons' units (Ronaldson 1999), and significant numbers of older persons' dwellings are included in a number of current redevelopments of existing estates. NSW plans to build 2,800 new dwellings for older people during the next five years, increasing the public housing stock available to older people by 10 per cent. This growth reflects expectations of expanding demand, as well as pragmatic considerations. For example, it is reported that in some States it is easier to get planning approval for older persons' housing relative to other forms of public housing, and that it is sometimes possible to get higher numbers of older persons' dwellings approved on a particular site. Such factors of this kind have been an incentive to the construction of older persons' housing.

Secondly, in all States and Territories there is a strong emphasis on building new dwellings to adaptable and/or accessible housing standards, and on modifying dwellings to improve access, security and functionality to ensure successful tenancies for older frail people. For example, all new housing for older people in Western Australia must conform to an Aged Persons Housing Design Brief that addresses mobility and access issues and incorporates adaptable design features. In Queensland, 59 per cent of all new public housing commenced from 1998/99 to 2003/04 was built to adaptable housing standards. In most States and Territories older public housing tenants are eligible for home modifications for reasons of health, physical safety, or support of independent living. Many public housing refurbishment and modification programs have a strong emphasis on enabling older public housing tenants to age in place.

The main changes and developments in each State and Territory are summarised in Table 32.

Table 32: Public housing stock for older people in the States and Territories

State/ Territory	Provision of public housing stock for older people ²
ACT	Approximately 13 per cent of public housing stock is designated as 'older persons' units', and this stock has been significantly expanded in recent years. The stock of bed-sitters built in the 1970s and 1980s has been reduced in number, and the remaining stock can be hard to let. Much older persons' accommodation including newer stock comprises 1-2 bedroom units located in complexes primarily designated for older people.
NSW	The public housing stock available to older people is being expanded by 10 per cent to around 30,000 dwellings. Older style stock includes high rise flats, as well as smaller complexes of bed-sitters and units. Existing stock is being converted or modified for suitability to older people, including a proportion of fully adaptable dwellings. Older people can specify if they require access and mobility features. Bed-sitters and high rise apartments only allocated to clients who wish to be considered for this type of housing.
NT	Specific housing stock for older people includes six recently constructed 'seniors villages', which are specially designed complexes designated for tenants aged 55+. Additionally, a number of 'aged pensioner complexes' are set aside for people of retirement age, and a smaller number of 'pensioner complexes' are allocated to single tenants in receipt of an aged or disability pension. Many older-style bed-sitters have been re-developed or up-graded.

² Sources: key informant interviews

State/ Territory	Provision of public housing stock for older people ²
QLD	Approximately 19% of public housing stock designated as seniors' units. Bed-sitter units developed for older people from 1971 to 1993 as main form of provision of 'pensioner housing'. Some bed-sitters have been demolished and many more modified or up-graded. Since the early 1990s housing built for older people is in the form of 1-2 bedroom units. Seniors' units are mainly located in apartment style buildings in complexes of one to two storeys.
SA	Housing is no longer built or designated specifically as older persons' housing, although new generic 2-bedroom housing is accessible and suited to older people. 'Cottage flats' are small clusters of single storey, medium density, mainly 1-bedroom units constructed from 1955-1994 for older people. Cottage flats comprise approximately 12% of all public housing stock, and approximately 70% of cottage flat tenants are aged 65+. Many cottage flats have been re-developed and/or up-graded in recent years.
TAS	Housing is no longer specifically designated for older people, but for tenancy management reasons units in certain complexes are typically allocated to older people. There is an emphasis on growing the stock of 1-2 bedroom dwellings to meet overall changing demands, including demand from older people. 'Elderly persons units' were developed through the 1970s to early 1990s, many in group complexes. Much of this stock has been redeveloped as 2-bedroom units.
VIC	There is a large stock of 1-bedroom units and a smaller number of bed-sitter units for single people 55+, located in high-rise blocks in inner-city and smaller walk-up complexes elsewhere. Elderly persons units first developed in 1940s and the first high rises in the 1960s. Many bed-sitters have been converted and older stock refurbished. Some new high-rise for older people in large redevelopment sites. Moveable units provided for people aged 55+ or for younger people with a disability.
WA	Approximately 30 per cent of public housing designated and designed for applicants aged 55 and over. Some 60 per cent of this stock is 2-bedroom and 40 per cent 1-bedroom. Much older persons' housing stock is single storey, cluster housing, often 12-20 units, for seniors only. There is some high rise in city or near-city areas designated for older people, and some for a mix of groups including older people. The stock of older-style bed-sitters is much reduced.

Linking housing, support and care

The capacity of the public housing system to address current and future demand for affordable rental housing for older people includes its capacity to provide or facilitate provision of support and care services for older tenants. This is likely to become an increasingly important issue in those SHAs anticipating significant increases in the number and proportion of very old tenants. In general, SHAs do not view it as their direct responsibility to provide care and support services to older people. Rather, tenants are encouraged to access the care and support available through Home and Community Care, Community Aged Care Packages, and related programs. However, SHAs often informally facilitate links between their tenants and local HACC providers, and these links appear to be increasingly important in some jurisdictions. For example, in the ACT links with HACC providers can be made at the time of the pre-allocation case conference. The South Australian Housing Trust has located a number of new independent living units close to a new residential aged care facility so as to enable tenants to access support facilities associated with the aged care facility. In NSW the Department of Housing has nomination rights with some retirement villages enabling it to place a small number of older people from the public housing waiting list into a supportive living environment.

There are also a number of examples of SHAs developing programs to more directly assist older people in public housing with support and care needs. Housing Tasmania has implemented a caretaker model in a number of its unit complexes that primarily house older people, providing basic assistance with day-to-day maintenance tasks (Tasmania Department of Premier and Cabinet 2005, p. 25). In Victoria the Older Persons High-Rise Support Program provides on-site support to 11 inner-city older persons' high rise public housing estates. On-site workers provide social support, low-level monitoring of health and well-being, practical help, and assistance with accessing health and community services. A pool of flexible care funds is available to assist tenants to access services or meet pressing needs. In NSW a partnership arrangement has been developed in one high rise building for support for a number of high need tenants by a community sector provider with funding through Australian Government funded Community Aged Care Packages.

There are also other initiatives targeted on older people with complex support and care needs, often involving partnerships with the community sector. In NSW, the Port Jackson Housing Initiative provides housing and support to a range of clients with complex needs, including a high proportion of older clients at risk of homelessness and in receipt of aged care packages. This project of the Department of Housing provides some 200 units of accommodation in inner-city Sydney in partnership with community organisations, some as housing managers and others with responsibility for the provision of support. In Victoria, the Housing Support for the Aged Program provides \$5,000 case-managed packages of support and services to people over 50 years of age who have a history of homelessness or insecure housing at the point of entry to public housing. The program seeks to provide a sustainable pathway out of homelessness for older people with complex needs, and employs 12 equivalent full-time workers across Victoria. Housing Tasmania has established a partnership with Hobart City Mission to manage 12 units of inner-city accommodation targeted to older single men with drug, alcohol and mental health issues (Tasmania Department of Premier and Cabinet 2005, p. 25).

Finally, there are examples of SHA involvement in the development of innovative housing and support options that span the boundary that divides the aged care and social housing systems. In NSW, the Dougherty Apartments are a joint venture between the Department of Housing, Willoughby Council and the Uniting Church providing 138 residential units that are a mix of low level care hostel units (fully-serviced bedsitters) and independent living units in a nine-storey building. This is a 'mixed-tenure' development including some residents on lease arrangements and some who are tenants from the public housing wait-list. Similarly, Leigh Place Retirement Housing is a joint venture between the NSW Department of Housing and Canterbury City Council providing 60 1-2 bedroom units in six large houses, with varying levels of support and personal care. These are examples of the types of flexible arrangements that may need to be considered by SHAs facing increasing demand from older renters with a range of lower level care and support requirements.

Summary: public housing

For a number of historical reasons, older people are one of the largest population groups in the public housing system, and older renters as a group are proportionally more dependent on public housing than younger renters. However, the increasing targeting of public housing on groups with special needs and priority housing needs, combined with the limited supply of public housing overall, may make it more difficult for lower-income older people to access public housing in the future. Nevertheless, SHAs continue to formally or informally designate a portion of the housing stock for older people, and significant levels of new stock for older people have been built in

recent years by several SHAs. An emerging issue for SHAs, faced with increases in the number and proportion of public tenants in the 75-84 and 85 and over age groups, is their capacity to link tenants with appropriate care and support services.

4.3.3 Community housing provision for older people

The community housing sector is a small component of Australia's housing system with about one in every 200 households in Australia living in community housing (AIHW 2005, p. 302). As indicated in section 4.2.2, community organisations involved in providing rental housing for older people can be divided into two groups, those that receive CSHA funding and those outside of the CSHA system. AIHW data indicates that community housing organisations provide approximately three per cent of housing for households aged 65 and over supported through the CSHA (AIHW 2003, p. 11 & AIHW 2005, p. 299). Table 33 shows that in most of the States and Territories the community housing sector plays a small, albeit significant, role in housing provision for this group. Nevertheless, there are a number of factors that point to the potential of the sector to play a more central and significant role.

Firstly, the community housing sector includes organisations that have developed significant capacity and scale in the provision of rental housing to older people. An example is the Northern Suburbs Housing Cooperative in Adelaide. Founded in the early 1980s, this cooperative now provides 132 rental dwellings for older people on 35 sites, together with a complex (Broadview House) providing housing, care and support services for independent older people requiring assistance in some aspects of daily living. There are also many generic community housing providers with significant stock of housing for older people.

Secondly, the community housing sector in several States has played an important role in the development of affordable housing for older people in remote and rural areas, albeit usually on a small scale. For example, in South Australia joint ventures between local community housing associations, local government and the South Australian Community Housing Association have been the mechanism for the development of small-scale rental housing projects in a number of small communities. Similar arrangements have developed in Tasmania, Western Australia and Queensland. This model appears to have been a successful means of providing and managing small scale rental housing complexes for older people in rural localities that may otherwise be without suitable housing for this group. There are also other examples of rural-based community housing organisations serving older people such as Narrogin Cottage Homes in Western Australia which provides 54 independent living units on a rental basis for local residents, including many who have retired from local farms (Community Housing Coalition of WA 2004, pp.32-35).

Thirdly, community housing clearly has the potential to be a vehicle for the expansion of services combining housing, support and care for older people in innovative ways, both for frail older people and for older people with complex needs. There are many examples of such programs including Abbeyfield Housing, the services provided through Wintringham in Melbourne, and services funded under the Assistance with Housing and Care for the Aged program (ACHA). There is a need to draw together information on the models of housing, support and care that have been developed by the community housing sector, as a basis for future planning and service provision.

Finally, there are instances of other innovative partnerships between State Governments and community sector organisations to provide affordable housing options for older Australians. For example, the Lease for Life Seniors Housing Program involves a joint venture agreement between the Western Australian Department of Housing and Works and Retirees WA Inc. to provide affordable

housing under a lifetime lease arrangement targeted at older people with limited capital. Some 150 dwellings are managed by Retirees WA in the form of clusters of between six and thirty one-bedroom, two-bedroom and three-bedroom units. Such tenure arrangements, and others including relatively low-cost 'entry contribution' housing, provide further means of expanding housing supply to older Australians who do not have the means to obtain suitable housing through home ownership or mainstream retirement villages.

The main non-CSHA community organisations providing housing to older people are those that continue to be involved in providing independent living units deriving from APHA funding from the 1950s to 1980s. This large stock of approximately 34,000 dwellings includes a proportion provided on a rental basis. A number of organisations in this sector, such as The Benevolent Society in NSW, are primarily focused on provision of rental housing to older people, and give priority to people living in insecure housing. Many others provide a small proportion of their independent living units on a rental basis, often charging rents as a percentage (perhaps ranging from 20 – 40 percent) of the aged pension plus rent assistance, and cross-subsidising this provision to some degree from their resident-funded retirement village operations. Some organisations with a high proportion of rental accommodation have experienced problems of financial sustainability of their rental program, particularly those with ageing housing stock requiring high maintenance.

The potential of independent living units to play an expanded role in affordable rental housing provision for older people is an issue requiring further analysis (McNelis 2004). There are instances of SHAs developing older persons' rental accommodation through joint ventures with organisations from this sector. For example, Amaroo Care Services, located in the City of Gosnells South-East of Perth, has expanded its stock of independent living units for older people through a joint venture arrangement with the Western Australian Department of Housing and Works. The ILU sector plays an important role in housing provision for older people in non-metropolitan areas, and is also involved in developing new approaches to linking housing and care provision for older people.

Finally, local government authorities also play a role in rental housing provision for older people, mainly but not exclusively in rural and regional areas as indicated earlier. An example of a metropolitan council involved in this field is Waverley Council in the Eastern suburbs of Sydney, which provides 46 units of affordable rental accommodation for local residents aged 60 and over. Local government, alongside the community housing sector, may have the potential to play an expanded role in affordable housing provision for older people.

Table 33: Community housing provision for older people in the States and Territories

State/ Territory	Community housing provision for older people
ACT	A small community housing sector includes some small organisations that include provision for older people.
NSW	The sector comprises some 44 housing associations and 50 cooperatives. Many housing associations and some cooperatives provide housing to older people, including older people from particular CALD groups. Local government is also involved in housing provision for older people.
NT	A small community housing sector providing a small level of housing to older people.

State/ Territory	Community housing provision for older people
QLD	The State Government's long term community housing program has a high proportion of older tenants in small-scale services provided through local government and local housing associations in rural and regional localities. A number of church-based and local community-based organisations also have older persons' housing. Some rental units provided in retirement villages.
SA	The State Government supported community housing sector comprises housing associations and cooperatives provided housing for approximately 900 persons aged over 65. There are some 15 community housing organisations that mainly target older people, including one large cooperative in the metropolitan area and a number of small housing associations in non-metropolitan areas.
TAS	A small community housing sector comprising some 50 community housing providers. A small number of community housing organisations provide dwellings designated for older people especially in rural and remote areas.
VIC	Housing associations and housing providers associated with the Department of Housing provide some services to older people, funded through a diversity of programs including joint ventures. Wintringham is the largest organisation focusing primarily on older people. Small numbers of older people housed in the community sector through rooming house and group housing programs.
WA	The sector comprises a small number of relatively large providers and many small organisations. The State Government has entered into joint venture agreements with a number of community organisations to provide rental housing for older people, including arrangements with local government to provide rental housing for older people in rural communities. There are a number of large providers of older persons' rental housing in the metropolitan area.

Sources: Key informant interviews.

4.4 Summary and conclusions

The role of the social housing sector in the provision of rental housing for lower-income older people has been shaped by policy and program developments at the national and State and Territory levels for over fifty years. The Australian Government, firstly through funding of the community sector under the *Aged Persons Homes Act* and then through funding of the States and Territories under the CSHA, has shaped the development of the nation-wide system of social housing provision for older Australians. However, since the phasing out of the Pensioner Rental Housing Program in the early 1990s, no clear policy directions have been articulated at the national level. While there has been a strong emphasis in Australian Government policy on the importance of responding to the challenges of an ageing population, including the provision of residential aged care services, relatively little national attention has been paid in recent years to affordable rental housing provision for older people.

Similarly, at the State and Territory levels the whole-of-government focus on ageing has not resulted in the issue of affordable rental housing provision for older people gaining prominence. Many SHAs have developed new policies for social housing and affordable housing, and the requirements of older people have been addressed to varying degrees in this context. However, there has been relatively little detailed attention in recent years to the housing of older Australians, and specifically to the issue of affordable rental housing provision. While there is general awareness of the likely increase in the number of older renters during the period to 2026, this has not as

yet been converted into detailed policies, strategies or programs to expand supply in most States and Territories.

Nevertheless, the social sector continues to be a major provider of rental housing for older Australians mainly through the public housing system, and to a lesser extent through community and cooperative housing. Just under half of older renters living in private dwellings are housed in the social sector (Table 8), and renters aged over 65 are proportionally far more reliant on social (especially public) housing than those aged less than 65. Approximately 28.2 per cent of all public housing tenancies nationwide are headed by a person aged 65 or over. The preponderance of older people in public housing reflects past as well as current policy directions. It seems clear that strategies to meet the anticipated future growth in the number of older renters requiring affordable housing will and must include a central and continuing role for the social sector.

However, the documentation of current policy settings in this chapter suggests that the social sector is not as well positioned for expansion of provision to lower-income older renters as may be required over the next two decades. In the public sector, older people are increasingly in competition with many other groups for priority in a system characterised in recent years by decreased funding and overall supply. The increased targeting of the public housing system to individuals and families with 'special needs' and priority housing needs may result in lower-income older people receiving lower priority than they have in the past. Several SHAs have continued in recent years to develop new housing stock suitable for older people, but it is unclear how the claims of older people in the public housing system will fare in the medium and longer term relative to other groups.

With respect to the community sector, the evidence presented in this chapter is that its potential to develop as a major provider of older persons' rental housing is as yet unrealised. The community housing sector includes many organisations that target older people, and it plays an important role in provision for some groups of older renters such as those living in rural communities and those with complex needs. However, the major, established community sector providers of aged care services are mainly focused on residential and home-based aged care services and retirement village accommodation, and have paid somewhat less attention to affordable rental housing for older people. The community housing organisations funded more recently through the CSHA include a number of specialist older persons' housing providers, however, the sector overall lacks a clear strategy and direction with respect to rental housing for lower-income older people.

These factors suggest a need for an integrated policy approach that articulates more explicitly the role of the social sector in meeting the increasing demand for affordable rental housing likely to be experienced during the next two decades. It also suggests that the social sector alone may not have the capacity to meet this increasing demand under current or likely policy settings. This indicates the need for an approach that draws together social and market sector provision for rental housing provision for older Australians. The role of the market sector is the focus of the following chapter.

5 SUPPLY FACTORS: THE MARKET SECTOR

5.1 Introduction

The limited capacity of the social sector to provide for the anticipated demand for affordable rental housing for lower income older Australians directs attention towards the market sector as a complementary source of supply. Interest in the market sector as a provider of and/or investor in older persons' rental housing has increased in recent years in both the public sector and the market sector itself. Within the public sector, SHAs are increasingly engaged in finding ways to stimulate private sector provision via supply-side and demand-side measures. Many such initiatives are concerned generically with affordable housing, and these are briefly surveyed in section 5.2.1. However, some have been focused specifically on expanding the supply of affordable housing for older people, and these are considered in section 5.2.2. At the same time, the private sector has shown increasing interest in the provision of affordable housing for older people, particularly in the form of affordable, assisted-living rental villages. The development of affordable rental villages by organisations such as Village Life and Sunnycove is considered in section 5.3.1, and the factors impacting on private sector investment in affordable rental housing for older people is discussed in section 5.3.2. To this point, the growing interest of the public and private sector in market supply of affordable rental housing for older people has not resulted in close and ongoing engagement between the two sectors, and joint activities are somewhat ad hoc and limited in scope. The possibilities for closer public-private sector partnership in older persons' rental housing and the development of a 'whole of housing system' approach are considered in section 5.4 and in the final chapter of the report.

This chapter is based on the interviews conducted with key informants in the market and social sectors, as well as analysis of relevant policy documents and materials made available on the web by the companies discussed in section 5.3. The intent of the chapter is to provide a synoptic view of the 'state of play' with respect to market sector provision of affordable rental housing for older people. The lists of those interviewed are found in appendices three and four. Where possible, data provided through interviews has been verified from written and/or published sources. It should be borne in mind that the interviews with market sector key informants were conducted in the second part of 2004, and those with social sector key informants in mid 2005. This is a highly dynamic market sector, and the developments described in section 5.3 may have impacted investor sentiment, particularly in the short-term. This is an area requiring ongoing research, as proposed in section 6.4.

5.2 Public policy and the market sector's role in affordable rental housing

5.2.1 SHAs and the market sector

During the past decade there has been increasing interest from SHAs, and from the Australian Government, in the role of the market sector as an investor in and provider of affordable rental housing. At the broadest level, this interest is underpinned by the major shift that has occurred in Australia and internationally towards market provision of human services. The so-called 'new public management' has emphasised that greater efficiency and effectiveness in achieving desired public policy outcomes requires a fundamental change in the management of public services. This involves a number of processes including the transfer of private sector management principles to the public sector, privatisation and contracting out, and an emphasis on competition

and the development of quasi-markets within the public sector (Kjaer 2004, pp. 24-31). These ideas have been highly influential in the development of many areas of human service provision in Australia during the past decade including childcare, aged care, employment services, and health services. In some cases these developments signify or are interpreted as a withdrawal of the state from responsibility for the provision of human services and achievement of social goals. In other instances, however, they indicate a desire to experiment with new ways of enhancing the effectiveness and efficiency of social policies and programs. In this sense, they may be associated with a strengthening, rather than a weakening, of the capacity of public sector agencies to achieve desired public policy and societal outcomes.

The impact of new public management ideas in housing policy in Australia is seen in three important developments that are shaping the provision of affordable rental housing both generally and with respect to older Australians. Firstly, the CSHA has placed great emphasis on the need to develop the role of the community and private sectors in the expansion of affordable housing in Australia. The 2003 Commonwealth-State Housing Agreement, which covers the period from 2003 until 2008, includes as one of its guiding principles, 'to promote innovative approaches to leverage additional resources into social housing, through community, private sector, and other partnerships' (Australia 2003).

Secondly, during the last decade, Australian Government policy has emphasised the provision of housing assistance on the demand-side rather than the supply-side. As noted in section 4.2.3, expenditure on CRA, a demand-side subsidy to those renting in the private market, was more than 50 per cent higher than expenditure on the CSHA in 2003-2004, and has generally maintained its value in real terms over the past decade while CSHA expenditure has been falling (AIHW 2005, p. 287). As discussed elsewhere in this report, CRA payments have been of considerable significance to the development of new private market initiatives in the older persons' rental housing sector.

Thirdly, in recent years, there has been a shift in emphasis in SHAs away from a frame of reference concerned primarily with social housing to one focused more broadly on the issue of housing affordability. The 2003 CSHA emphasises the importance of an integrated approach to housing affordability, and this theme has been a central emphasis in major, strategic housing documents in the States and Territories (e.g. ACT 2003; South Australia 2005; Tasmania 2003; Western Australia 2006). Increasingly, many SHAs are drawing a distinction between a public housing system focused on provision of 'high needs' housing and affordable rental housing objectives focused on lower-income households which will involve provision through the community and market sectors as well as through public housing (e.g. South Australia 2005, p. 10).

One visible expression of this shift in emphasis is the establishment or expansion of units within SHAs designed to develop new partnerships with non-State actors. For example, the recently established South Australian Affordable Housing Innovations Unit has the role of brokering arrangements between the public and private sectors to develop affordable housing. The Centre for Affordable Housing, a business unit of the NSW Department of Housing, works with the public, community and private sectors to address issues of declining housing affordability. Bodies with similar responsibilities can be found in many of the States and Territories.

The specific policy measures or instruments designed to expand the role of the market sector in affordable housing provision can be broadly classified into two categories: demand-side measures, and supply-side measures. Demand-side measures are those that assist lower-income households to access housing in the

private rental market. The most important demand-side instrument is CRA that is designed to increase housing affordability for private renters receiving Commonwealth income security payments. The other main set of measures is the private rent assistance provided through CSHA funding to enable people to access and maintain tenancies in the private rental market. These measures include bond loans, assistance with rent payments, relocation expenses, housing establishment grants, and advice and information services. Some SHAs also provide or fund programs to assist low-income people with high or complex needs to maintain private sector tenancies.

Supply-side measures provide assistance, incentives or requirements to private sector housing suppliers or developers to provide affordable housing. A number of different approaches can be identified including, but not limited to, direct incentives to landlords to provide affordable housing such as guaranteed occupancy, rent subsidies, capital grants, insurance arrangements and support workers. Others may involve the use of a wide range of measures to encourage longer term private investment in affordable rental housing including tax rebates, discounted interest rates, equity sharing, planning bonuses and land tax rebates. Other supply-side measures include joint ventures and partnerships with the private sector to develop or re-develop particular sites for affordable housing; construction, sale and leaseback arrangements for supply of social housing; land supply and planning facilitation measures; planning system measures including requirements or incentives to developers of new housing estates to include a proportion of affordable housing; and encouragement of private sector investment in affordable housing provided through housing associations and other community sector organisations.

The steadily increasing interest by SHAs in market-related policy instruments opens many new options not previously on the affordable housing agenda, as well as raising new governance issues. With respect to affordable rental housing for older people there are three main questions.

1. To what extent has this new approach resulted in new initiatives to engage the market sector in the provision of affordable, older persons' housing?
2. What is the potential for closer partnership between the social and market sectors in this housing market?
3. What measures need to be put in place to ensure that an expansion of market supply results in positive housing outcomes for lower-income older people?

The first of these questions is discussed in section 5.2.2, and the two other questions are taken up in sections 5.3 and 5.4.

5.2.2 SHAs, the market sector, and older persons' housing

Many of the measures identified above that are designed to expand the role of the market sector in affordable rental housing provision have general applicability to housing for older people. On the demand-side, CRA plays a significant role in increasing housing affordability for older renters, as discussed earlier in section 4.2.3. The take-up of other demand-side measures by older people is more difficult to determine. The published national data on private rent assistance including bond loans, relocation expenses, and rental grants and subsidies do not include reference to the age of recipients (AIHW 2006). The only demand-side measures targeted specifically at older renters are some information and advice services. For example, the Council on the Ageing in the ACT receives funding for a housing advisory service, and the Seniors Information Service in South Australia, funded by the South Australian Government and others, has a strong emphasis on the provision of advice and information on housing choices and issues.

The Housing for the Aged Action Group provides a housing information and advice service to older tenants in Victoria.

On the supply-side, there are several examples of projects and initiatives which point to the potential of closer public-private partnerships in the area of older persons' housing, but which do not at this point constitute an integrated strategy. The most common form of public-private partnerships in the States and Territories are joint venture arrangements to develop or re-develop specific sites to yield relatively small, but significant, numbers of older persons' dwellings. Typically, such developments take place on a relatively high value site owned by the SHA containing older-style, hard to maintain, or rundown dwellings. The site may be re-developed by a private developer, with an agreement that in exchange for the land value a proportion of units built on the property will become public housing stock at no further cost to the SHA. By careful design of the housing on the site significantly higher yields can be achieved, and there is the added advantage of producing developments that are a mix of public and private tenure. Such arrangements are reported by several SHAs as one means that is commonly used to expand the stock of new units of older persons' public housing with minimal net cost to the public sector.

There are also examples of public-private partnerships involving older person's housing undertaken on a larger scale. For example, the redevelopment of the Kensington public housing estate in inner city Melbourne involves a partnership of the Victorian Office of Housing and Becton Corporation to regenerate the estate, creating a mix of public and private housing. The redevelopment includes 97 older-persons' units in a six storey block out of a total of 195 new public housing dwellings, as well as up-grading of an existing 13-storey high rise tower for older people. The redevelopment includes consideration of need for provision of care and support services for the older tenants on the redeveloped site (Hulse, Herbert and Down 2004).

Public-private sector partnerships that involve the private company both as the developer and as the older persons' housing manager appear to be less common than those involving the private sector solely as developer. One such example is Comptons Village, a 'government-subsidised rental retirement village' located North of Brisbane, developed and managed by a private company to provide 180 units of older persons' housing on a single site. The project was developed by the Queensland Department of Housing as a pilot designed to explore the potential of such a venture to reduce the number of older people on the public housing waiting list, and to explore the potential for future self-sustaining private sector provision of older persons' rental villages. Under the terms of the agreement between the company and the Queensland Department of Housing, eligible tenants pay no more than 30 per cent of their aged pension in rent, the remainder being covered by CRA and a Queensland Government subsidy. An evaluation of the project in 2001 concluded that it provided an important example of the ways that the public sector could 'enable' the provision of housing for older people by the private sector, and recommended further examination of the model used (Jones, Tilse and Coleman 2001). However, there has been no further examination or replication of this particular approach. Comptons Village has recently been acquired by SunnyCove Management Limited, one of the companies involved in developing the rental retirement village market (section 5.3.1).

Another venture involving SunnyCove and the Queensland Department of Housing is the development of an older person's rental complex in the Kelvin Grove Urban Village, a mixed use residential, educational, cultural and commercial development on the fringe of Brisbane's Central Business District. SunnyCove was the successful tenderer to develop a nine-storey, managed older persons' rental complex of 125 units, including 40 affordable rental units. Residents will have the option to include furniture, meals and services in their rental package. The Kelvin Grove Urban Village also includes

affordable housing provided through the Brisbane Housing Company, student housing, and a range of townhouses and apartments. The Sunnycove development exemplifies a number of innovative features with respect to affordable rental housing for older people: optional services as part of the rental package; a mix of rental dwellings for older people including both affordable and higher priced units; location within a master-planned mixed-use community developed by the Queensland Department of Housing and Queensland University of Technology; a 'vertical village' rather than the more conventional horizontal village design; and development and management by a private sector organisation within guidelines set by the SHA.

An example of a public-private partnership more focused on older people with support needs is the 2004 agreement between Housing Tasmania and Village Life Ltd, following an open tender process, to provide a supported residential facility at Kingston, South of Hobart. The facility is designed for older (over 40) residents with low support needs and a preference for communal living. The twenty units of accommodation include an on-site caretaker/manager, provision of all meals, a laundry service, and recreational activities. Residents pay a rental of 85 per cent of their pension, excluding CRA. Housing Tasmania provided the land for the development and will maintain an interest to ensure that the project continues to meet the goal of providing affordable housing for this population group. Village Life, the major provider of affordable rental villages for older people in Australia, will manage the facility and construct additional independent living accommodation for older people on the same site. Initially residents of the supported accommodation facility were sourced from public housing waiting lists, but this will not necessarily continue into the future.

Other supply-side measures initiated by SHAs include assistance with the provision of suitable sites for developers of aged persons' accommodation, and facilitation of planning and development approval processes. Some of these are one-off arrangements driven by specific local circumstances. The clearest example of a more systematic approach at the State and Territory level is the *Building for our Ageing Community Strategy* initiated by the ACT. This strategy aims to ensure the availability of older persons' accommodation sites on a rolling basis, including land for both residential aged care and independent living units. The strategy is implemented by a case manager located in the Chief Minister's Office. It provides a land bank of aged persons' accommodation sites, and support to proponents of aged care accommodation with development approval processes. The wider aim is to develop a proactive relationship between government authorities and developers of aged persons' housing and aged care services (ACT 2005, p. 35). The case manager is responsible for developing a strong understanding of the market for older persons' accommodation, for fostering effective relations with the market sector, and for ensuring a whole-of-government information service for those proposing aged care and housing developments. This strategy exemplifies an approach emphasising public-private sector collaboration, and public sector direction of these relations.

Some other SHAs have also sought to take a pro-active stance in their relations with private sector proponents of older persons' rental housing developments. In South Australia an 'Affordable Housing for Seniors Steering Group' has been formed by the SHA to consider older persons' housing developments and joint venture opportunities. In Queensland there is a perception that the segment of the affordable rental housing market most attractive to the market sector is older persons' housing. The Queensland Department of Housing has considered the development of frameworks and principles to guide engagement with market sector organisations, including specification of the housing outcomes to be sought, and minimum standards for proposed developments (Queensland Department of Housing 2000a).

Finally, it should be noted that supply-side initiatives also include the regulatory roles of SHAs, other State and Territory authorities, and local authorities, including those responsible for planning and building regulation, tenancy agreements, and consumer protection. Regulatory processes are often viewed as obstacles to private sector development, but they can also facilitate the development of older person's housing through the establishment of clear processes, guidelines and standards. Two types of regulations are particularly pertinent to private sector affordable housing initiatives for older people: planning policies at State and Local Government levels addressing housing developments targeted at older people; and legislation and regulations dealing with particular types of older persons' housing.

NSW is the only State to have developed State-wide planning policies relating to residential developments specifically for older people. First introduced in the early 1980s, State Environment Planning Policy No. 5 (SEPP 5) was designed to establish development standards for older person's housing, to increase the supply of housing for older people, and to ensure that the availability of support services for older people was taken into account in development approvals. SEPP 5 was replaced with a new State Environmental Planning Policy on 'Seniors Living' in 2004 after concerns that it was being used to permit medium density developments only tangentially related to older persons' housing. In the absence of State-wide policies, a number of local authorities in other States experiencing rapid growth in the number of older persons' housing developments have developed their own local planning or building codes to regulate this development.

In all States and Territories there have been attempts to respond to the increasing diversity of the older persons' housing market through the regulation of particular housing types including retirement villages, boarding houses, caravan parks, mobile homes, manufactured home estates, and supported residential facilities. These regulatory provisions serve a range of purposes, sometimes focusing primarily on consumer protection, and others on building standards and issues of safety and amenity. There are significant differences from State to State with some newer forms of older persons' housing, such as affordable rental villages, falling under different regulatory regimes in different States and Territories. A key issue for SHAs wishing to expand the provision of suitable, affordable rental housing for older people is to consider the mix of support, legitimisation, and standard setting processes that will be met through these regulatory processes.

In summary, SHAs have been engaged in processes to expand the supply of affordable rental housing for older people in association with the private sector for some time now, in line with policy settings emphasising partnerships with the private sector and the marketisation of social housing supply. Public-private partnerships on both a small and larger scale have become important mechanisms to create new housing supply for older people, particularly on redevelopment sites. Far less common are partnerships that involve market sector organisations as the housing managers as well as the housing developers. Only one SHA (the ACT) is proactive in providing suitable sites for older persons' housing, and regulatory processes have to some extent struggled to keep pace with the increasing diversity of forms of affordable rental housing for older people. Clearly most SHAs aspire to increase provision of affordable rental housing for older people through the market, but at this stage this takes the form of a range of disparate projects and initiatives rather than a concerted strategy. Meanwhile, the private sector, unprompted by SHAs, has moved to take advantage of the opportunities created by the growth of the population of older renters and the declining levels of supply through the social sector.

5.3 The market sector and affordable housing for older people

5.3.1 The new market sector providers

The private rental sector is a major provider of affordable housing for older people, with 79,900 older person households estimated to rent from private landlords and real estate agents in 2001 (Table 8). Older people were estimated to comprise 13 per cent of all private renter income units in 1999 (Purdon Associates 2000, p. 95). It is generally assumed that most lower-income older renters compete with other private renters for the limited supply of low cost rental housing (Wulff and Yates 2001), rather than constituting a distinctive sub-market with landlords who specialise in older person's housing. As discussed earlier in this report, older renters are also found in various forms of non-private rental dwellings such as boarding houses, caravan parks, and supported residential facilities that are provided through the private sector. These are generally operated as small, independent businesses, and are usually not restricted to or targeted towards older people as such. Thus, although many older renters are to be found in the private rental market, in the main this market is not and has not been organised or structured to respond specifically to the housing demands of older people.

The emergence during the past decade of private companies specifically targeting lower-income older renters is, therefore, a highly significant development in the history of market sector housing provision to this population group. The evolution of four such companies, Village Life, SunnyCove, Oxford Crest and Community Life is described below. These brief accounts focus on the development of these companies, the types of housing and services they provide, and their investment and housing management structures. Information is drawn mainly from official company documents and web sites as well as a limited number of key informant interviews and site visits. Greatest attention is paid to Village Life, for many years the market leader, but now facing major financial difficulties and an uncertain future. These companies, acting independently of SHAs, have emerged in response to a perceived market demand for affordable rental housing from older people. Given the anticipated shortfall in social housing provision and the strong interest by the public sector in market engagement in affordable housing, the experiences of these companies require careful study.

Village Life

The most prominent market developer and provider of affordable rental housing for older people during the past eight years has been Village Life Ltd, a Brisbane-based company formed in 1998 with the explicit goal of developing and managing rental villages for lower-income, older Australians. Village Life opened its first village in 1999 and its fiftieth village in March 2004. As of March 2006, the Village Life network comprised 78 villages, including 24 in Queensland, 14 in NSW, 15 in Victoria, 7 in South Australia, 7 in Tasmania, and 5 in Western Australia. These villages provide over 4,000 units of rental accommodation for older people. Due to major financial difficulties experienced by the company during 2005 and 2006, Village Life's role is now primarily as the manager of this service network, and its development role is much reduced.

The housing produced by Village Life during the period 1999 to 2005 has been described in this report as 'assisted-living rental villages', developed by Village Life as a distinctive and standardised model. This housing is situated in rental villages that in physical form have many of the features of a conventional retirement village. Each village is based on a generic design, typically comprising a manager's apartment, a community building, and villa-style, mainly one-bedroom units set in landscaped

grounds. Villages range in size from 20 to 140 units, with most comprising approximately 50 units. The villa-units are typically built in clusters, and include a bedroom, en-suite bathroom, lounge, kitchenette, and private courtyard. The standard total internal floor-space is 35 sq. metres. Units are fully-furnished including television, furniture, whitegoods, crockery, linen, and a space for a washing machine. Units contain many accessible design features including ramps, enlarged doorways, non-slip tiles, grab-rails in showers, security screens, and emergency button linked to the on-site manager. The community building includes dining facilities, lounge, a small library, and television, and there are also communal laundry facilities. The grounds are typically fully fenced and landscaped, and have covered walkways between units and the community building, and parking facilities.

Central to the Village Life model are a range of assisted-living services that are provided as part of the standard rental package. Residents are provided with three meals per day, and a weekly linen service. On-site managers are responsible for services and maintenance of the village, and are available for emergency calls. Some social activities are organised in consultation with residents, and there may be organised visits from pharmacists, hairdressers, podiatrists and other health services. The location of villages takes into account proximity to public transport, medical facilities, shopping centres, and other facilities.

The rental for this package of housing and assisted-living services is indexed to the single rate of the Aged Pension and CRA. In most villages this is set at 85 per cent of the Aged Pension and 100 per cent of RA. However, in some villages located in higher socio-economic areas or in close proximity to population centres, and providing higher levels of amenity, rentals have been increased to 90 or 95 per cent of pension plus RA. All residents pay the same level of rent irrespective of their source or level of income. No bond or entry fees are charged, other than a once only cleaning fee of \$150. Residents pay for their own electricity and telephone. There are no exit fees, and the tenancy arrangement is a standard residential tenancies agreement.

In broad terms, the history of the company that developed this new model of affordable rental housing for older people can be divided into two phases. During the first phase from 1998 to the end of 2004, Village Life grew rapidly, was profitable, and expressed great confidence in its role as the market leader in affordable rental accommodation for older people. Its founders identified affordable rental villages as a new market sector distinguishable from both conventional retirement villages and residential aged care facilities. During its first three years of operation, Village Life rapidly built a chain of villages spanning several States, developed a network of licensees, and refined 'the Village Life Model', described as a 'blueprint for site identification, design, construction, and ongoing management of each village'. The company, working in association with its licensees, developed standard village designs, sourced sites, obtained development approvals, constructed the villages using a network of contractors, employed and trained managers, recruited residents, and managed the villages.

The Village Life model was presented as a new opportunity for investment in accommodation for the rapidly growing population of older Australians, with Village Life having first mover advantage. Investment funds for the development of the network of rental villages were sourced by the company in a number of ways. Early growth was facilitated through a significant investment of venture capital. A number of villages were developed and owned by syndicates and high net worth individuals. However, most villages were financed through retail investment, involving predominantly small investors. Prospectuses were issued for new villages, and promoted through financial planners. Investors were invited to purchase a freehold

title to one or more villa units in a specific village development. Investment risk was shared amongst the investors in a village under an arrangement in which the total village rental was pooled and distributed in accordance with the number of units owned by an investor. In a further development, in March 2003 Westpac, in collaboration with Village Life, created the Village Life Property Trust to acquire 10 villages managed by Village Life. Under this arrangement, these villages were sold to the Property Trust, but continued to be managed by Village Life under long-term leasing arrangements. Significantly, Village Life also continued to take all occupancy and operational risks in the village.

Building on its initial success, Village Life Limited listed on the ASX in December 2003 with a market capitalisation of over \$125 million. This was followed by the creation of Village Life Trust and its listing on the Stock Exchange in July 2004, following capital raising of over \$50 million. The chairman's address to the company Annual General Meeting in October 2004 reported a full-year profit and shareholder dividend that exceeded forecasts, and continuing company expansion. He reported good occupancy rates in new villages, an improved pipeline of sites for future village development, ambitious expansion plans, growth potential in the sector, and likely increase in the market capitalisation of the Village Life Trust. He expressed strong support for the company's well developed original business model: 'There is a commitment from the company to stick to that model and focus on what it is best at, namely quality management of affordable housing' (Chairman's address to AGM, Village Life Ltd, 27 October 2004).

The October 2004 AGM marked the highpoint of the growth and profitability of Village Life, and the end of its first expansionary phase. The second phase was presaged by an announcement to the ASX in February 2005 of a downgrading in profit forecast for the 2005 financial year, attributed to abnormal construction delays and labour cost increases leading to reduced development income and rental revenue. The tone of this announcement and of the Half-year Financial Report issued in late February continued to be positive. However, in early May 2005 Village Life requested voluntary suspension of trading in its shares on the ASX in order to review its financial forecasts. This was the precursor to a period of great financial difficulty for the company, leading to a questioning and reappraisal of the strength of its product and financial model, and a drastic reduction of its development role. In a company announcement to the Stock Exchange in late June 2005, the company again announced a decline in projected profitability, indicating that the new financial year would be one of consolidation and reduced development activity. The company's net profit for the 2005 financial year was just over \$2 million as opposed to a forecast of over \$15 million (Village Life Ltd, *Annual Report 2005*).

During the 2006 financial year Village Life's financial position continued to deteriorate. The Interim Financial Report for the half-year to 31 December 2005 reported a loss over \$13 million, and another trading suspension was granted to the company in February 2006. In March 2006 the company announced a major restructuring of the business, essentially ceding much of its financial interest in the villages to the companies responsible for the two property trusts now owning many of the villages, ING and Westpac. In this announcement, the directors indicated that the company was facing 'a difficult and uncertain future', with its main task now being to 'both maintain its management services business and pursue new development and management opportunities in the seniors' accommodation market'.

Village Life's own analysis of the reasons for its sudden financial decline after such promising beginnings are outlined in its 'Request for Suspension and Strategic Review Update' released to the ASX on 1 February 2006. Two factors of particular

significance to an evaluation of the 'Village Life model' are emphasised. Firstly, Village Life noted its historical dependency on development profits to deliver shareholder returns, a feature of the company's business model that made it highly susceptible to the construction delays and problems that it experienced from late 2004. Secondly, from 2005 Village Life began to have major difficulties in maintaining high occupancy rates, especially in the more recently developed villages. Village Life's leasing arrangements with villages included in its associated property trusts exposed it to occupancy and operating costs risks, and assumed occupancy levels of 95 per cent. While more than half of the villages were occupied at 90 per cent or higher levels in 2005, many others were well below that figure and overall occupancy in December 2005 was 77 per cent. At Village Life noted in its February 2006 statement, 'it appears that in some locations, Village Life's standard serviced accommodation product is not as popular as was expected, compared with historical performance levels'.

Several factors were suggested by Village Life as causes of their poor occupancy performance. These included increased competition, and, less plausibly, significant increases in public housing and home care services for older Australians. Particular emphasis was placed on the importance of locations with good access to services, and with significant numbers of older people in the immediate area. It was suggested that, in hindsight, some of the newer villages may have been poorly located. Questions were also raised concerning the Village Life model itself. It was argued that competitors provided a greater level of independence for residents than Village Life, with its fixed components of three meals a day and weekly linen service. Most importantly, Village Life observed that they were attracting older residents, many aged 80 or over, many of whom left the villages after less than twelve months for health reasons or to move into other low cost alternatives such as public housing. It was observed that during 2005, Village Life attracted 1,971 new residents but saw 1,359 depart, an unsustainably high turnover rate. All this seems to signal the beginning of the end of the standardised Village Life model. Looking forward, the first new initiative identified in the company's February 2006 letter to the Stock Exchange was, 'The offer of a wider suite of rental opportunities plus the addition of an entry fee product to assist home sellers in entering Village Life serviced accommodation units while optimising their access to government assistance.'

SunnyCove

While Village Life has been the largest and most prominent developer and manager of affordable rental housing for older people, it is by no means the only company in this market. SunnyCove, a Sunshine Coast-based company which listed on the stock exchange in June 2004, is a provider of long-term rental accommodation for older people targeting a wider market than Village Life. At the time of listing in 2004, SunnyCove managed three communities located in South-East Queensland. It expanded rapidly during the 2005 financial year, and by mid 2005 was managing 12 communities (SunnyCove, *Annual Report 2005*). Since then it has expanded further, developing projects elsewhere in Queensland and in Victoria, with plans for further expansion in these States as well as NSW. In June 2006, the company reported that it had 624 serviced apartments and 266 independent living apartments under management across its communities.

The early villages (referred to as 'communities' by SunnyCove) were based on a similar model to Village Life, providing one-bedroom accommodation plus meals and laundry services, with rents based on a proportion of the aged pension and rent assistance. However, since 2004 SunnyCove has changed its focus to a 'Renter by Choice' model targeted at independent retirees who choose to sell their home to

unlock capital and reside in a rental community. The 'Renter by Choice' model charges market rents and emphasises quality locations that attract resident demand. The 'flagship' project, located at Forest Lake in Brisbane's South West, comprises a mix of 86 bed-sits, one-bedroom apartments, two-bedroom apartments and 'premium apartments'. Bed-sits are the only furnished apartments, and all apartments have a full kitchen facilities allowing residents the choice of cooking for themselves or purchasing SunnyCove-provided meals. In recognition of a desire for security of tenure, residents are offered a choice of duration of lease ranging from six months to 'lease for life'. It is anticipated that all new SunnyCove communities will be based on the 'Renter by Choice' model. This shift in strategic direction reflected Sunnycove's perception of the difficulties associated with the 'assisted-living rental village' concept, and its judgement that greater opportunities for growth and profitability were to be found in the wider seniors' rental market.

Sunnycove's strategy for development and management of its communities is also distinctive. Its focus is increasingly on the generation of income through its management rights business, and it has paid considerable attention to the quality of its on-site management, through employment of trained staff and adoption of a range of other management practices. Much of Sunnycove's growth has been through the acquisition of existing villages, and the introduction of its own management systems to these sites. SunnyCove is also expanding its network of communities through its 'Intellectual Property for Rights' strategy. This involves SunnyCove entering into a long-term lease for the naming and management rights for the community, which is then developed to SunnyCove specifications and designs. Four such projects in Victoria, NSW and Queensland are underway, with several more in the pipeline.

Oxford Crest

In addition to the two major players in rental accommodation for older people, there are a number of smaller companies that have developed niche positions in this market. Oxford Crest was established in Brisbane in December 2000 with the aim of providing affordable accommodation for older Australians. Oxford Crest manages five affordable rental villages in South-East Queensland with a further four villages under construction. Rental rates are measured against the single aged pension. There is an optional, economically priced food service provided in each village. Residents are initially requested to enter into a 12 month fixed term tenancy agreement. Units are designed to be large enough to accommodate couples, and are offered either furnished or unfurnished. Most units have full kitchen facilities. Oxford Crest is directly involved in the development and management of each of its villages. It has plans to expand to develop up to 6,000 units across Australia during the next ten years. It is an example of a relatively small company that has grown relatively slowly, but maintained its focus on affordable rental accommodation.

Community Life

Community Life is a publicly listed company that develops and sells affordable homes and units for older people. It offers a range of products including free standing homes, terrace houses and houses within lifestyle housing parks designed for the over 50s. In 2004 it issued a prospectus announcing its intention to provide, as its principal activity, self-care rental accommodation within specially designed communities for people aged 55 and over. The model proposed was similar in many respects to the Village Life model, and was targeted on older people receiving Aged Pensions and CRA (Community Life, *Prospectus 2004*). However, in its 2005 annual report, the company announced a decision not to proceed with its plans, citing 'current challenges being faced by participants in the seniors' rental accommodation industry'

(Community Life Limited, *Annual Report 2005*). It drew attention in particular to risks associated with construction costs and delays, and the difficulty of achieving 95 per cent occupancy in some locations. The Directors' Report concluded that, 'the Company's original strategy of developing large numbers of these rental units is commercially unviable.' Community Life is considering other seniors' accommodation models, and investigating alternative use for the sites it had acquired for rental villages, including mobile home parks and other residential developments.

Summary and implications

During the last eight years, market sector organisations have become established participants in the field of affordable housing provision for older people. The sector has developed and is now managing some 5,000 or more units of accommodation in 'assisted-living rental villages'. This is a sizeable addition to the stock of rental housing for older people. It has been developed without significant involvement of SHAs. Due to the financial difficulties experienced by Village Life in particular, the future of market engagement in this field is somewhat unclear. Market providers seem to be moving away from a focus on older people dependent solely on the Aged Pension, in favour of those with modest income streams additional to their pension. Village Life continues to have a large portfolio of affordable housing under management, as do smaller providers such as Oxford Crest. It remains to be seen whether market providers, acting independently of the public sector, will expand their involvement in the affordable segment of the older person's housing market.

This flurry of engagement by the market in affordable housing provision raises three questions for those concerned with housing policy. Firstly, are the forms of housing developed by these companies appropriate to the needs of lower-income older people, judged in terms of the criteria developed in chapter three? Secondly, what do the experiences of these companies tell us about the financial sustainability of investment and management models designed for the provision of affordable rental housing for older people? Thirdly, what are the implications for the broader issue of ensuring an adequate supply of affordable rental housing for the increase in the number of older renters anticipated over the next two decades?

With respect to the first of these questions, 'assisted-living rental villages' certainly appear to have met a market demand, especially in the initial years of their development. However, the model does raise a number of questions. The first is the issue of affordability, which arises from the high proportion of pension income and rent assistance charged as rent. It is indisputable that an individual solely dependent on the Aged Pension has little left for other living expenses after paying 85 per cent of pension and 100 per cent of CRA for their unit, meals and laundry. This is a major issue for a model ostensibly concerned with independent living. It seems clear that as the model matured, it was increasingly targeted towards older renters who had some other modest source of income additional to the Aged Pension. Village Life explicitly targeted this group in some of their later developments, charging up to 95 per cent of the single rate of the Aged Pension in some villages. From an affordability perspective, the model appears to have been most suited to older people with modest savings, rather than those solely dependent on the Aged Pension.

A second difficulty is the high level of standardisation and limited choice, particularly the lack of choice with respect to communal meals in the Village Life model. Units were designed without full kitchen facilities or a dining area thus accentuating this lack of choice. This issue was cited by Village Life as one reason for the poor occupancy levels in some of their newer villages. As with the issue of affordability, this raises the question of whether 'assisted-living rental villages' should be viewed as a form of independent living. Generally, the model was developed, designed, marketed and

managed as an independent living option. However, some of Village Life's later promotional material essentially described the model as a transitional housing form situated between independent living and low-care residential aged care. This material went so far as to suggest that the model could result in delayed admission to residential care, with consequential cost savings for the public sector. It can be argued that ambiguity concerning the nature of the model is a fundamental issue. Are assisted-living rental villages essentially a form of linked housing and support for older people or are they, as is generally assumed, an independent living option?

The experiences of the new market sector providers also raise questions concerning the potential of the market sector as a partner in the development and management of affordable housing for older people. With respect to investment, funds appeared to be readily available from both small and institutional investors for the rapid expansion of Village Life, although its financial problems during 2005 and 2006 will have a negative impact on investment in a product structured in this way in the short-term and perhaps the longer term. The experience of Village Life and other market providers indicates that investment funds are potentially available, but that the management of the investment and the nature of the affordable housing product are critically important. Village Life's difficulties also appear to have resulted in some companies moving away from assisted-living rental villages in favour of other housing products for older people that are not targeted as clearly on the affordable segment of the market. It remains to be seen whether interest in affordable rental housing, perhaps through some differently structured product, will be rekindled. Market investment factors are considered in greater detail in section 5.3.2.

The Village Life experience also points to the critical importance of housing management in affordable housing provision for older people. Village Life's own analysis of its financial difficulties pointed to the conflict between its focus on village development, the source of much of its early profitability, and its focus on on-site management issues. The high level of turnover of residents in 2005 is suggestive of on-site management difficulties. The importance of good quality management of housing for older people, particularly those with limited financial resources, is widely recognised. For example, SunnyCove emphasises that it has structured its activities to enable it to focus on the management of its communities, and it has invested significantly in staffing and training. The management of assisted-living services for older people involves a diversity of roles including caretaking, catering and caring, and providing appropriate resources, training and facilities for this diversity of roles is essential.

The implications of the new market sector providers for the broader issue of ensuring an adequate supply of affordable rental housing for older people over the next two decades requires further analysis. However, two issues are immediately apparent. Firstly, some 5,000 assisted living rental retirement villages have been added to the stock of rental housing for older people. This is a significant addition to the stock, and further investigation is needed concerning the quality and appropriateness of these service and customer satisfaction issues. Public authorities may need to consider whether this model of housing and support should be supported and extended (it is already indirectly supported through the provision of CRA), and/or whether additional forms of monitoring and regulation would be appropriate.

Secondly, the emergence of new market sector providers may provide opportunities for new forms of partnership between the social and market sectors. Assisted living rental villages developed as a wholly market sector initiative, and linkages and networks between market sector providers, SHAs, and other affordable housing providers in the social sector appear to be limited at this stage. It seems likely that

future provision of affordable housing for older people will require closer engagement amongst sectors, organisations and individuals with a diversity of capacities in fields such as investment and finance, project and program design, and housing management. Structures and processes may need to be developed to enable market and social sector housing providers to work more closely together.

5.3.2 Market investment factors

This issue of direct market sector provision of affordable rental housing for older people needs to be distinguished from the broader issue of private sector investment in this market. As already indicated Village Life was readily able to source investment for its rapid development both through the domestic residential investment market and through second tier institutional investment houses, supported by institutional floats such as the Westpac Village Life Property Trust. Village Life's financial difficulties in 2005 and 2006 have no doubt had a negative impact on investor interest in its particular investment and housing model and product. However, in this section we focus on the broader structural and financial issues that may impact generally on levels of investment in affordable housing products for older people, rather than investment in one specific company.

Historically, a dominant characteristic of the private rental market in Australia has been the small-scale nature of most investment (Beer 1999, Burke 1999). Berry has described investment in the Australian private rental market as 'petty landlordism'. He estimated that individual rental investors hold around 60 per cent of total private rental stock, with much of the balance held by small, often family-based, partnerships and small companies (Berry 2000, p. 664; AHURI & Allen Consulting Group 2001, p.5). In its 1997 survey of rental investors, the ABS found that some 76 per cent of investors owned just one rental dwelling, and 92.5 per cent owned no more than two dwellings (ABS 1998). The corollary of this small-scale investment pattern is the somewhat limited direct role of large, institutional investors (Berry 2000; 2002). Yates noted that the private rental sector in Australia 'has not been supported by the actions of corporate or institutional investors' (1996, p. 48). Large corporate landlords are not predominant overall in the Australian private rental sector. Banks and other retail financial institutions are primarily involved in the rental market as indirect debt stakeholders rather than as direct, equity-based investors.

A number of factors have been identified that are implicated in the limited private investment in affordable rental housing in Australia. Smaller 'cottage industry' rental investors are highly susceptible to poor investment returns and this may affect rental levels, as well as lack of spending on repairs and maintenance. With respect to institutional equity investment in affordable rental housing in Australia, it has been argued that barriers include perceptions of low return on investment, high risk, and high management costs, as well as lack of track record, image problems and poor market information (Allen Consulting Group 2001a, pp.15-17; Berry 2000, pp. 672-4). Other structural impediments that have been identified include taxation arrangements, landlord-tenant legislation, the complexity of housing as a commodity, and the tensions between investment and social objectives (Berry 2002). Berry concludes that despite a number of attempts to promote institutional investment in affordable rental housing, little progress has been achieved (Berry 2000; Berry 2002). He and others have suggested a range of public interventions that might raise investment returns and lower exposure to risk for financial institutions investing in affordable housing (Berry, 2002; Allen Consulting Group 2001a). Earl (1995) has considered how taxation and financial instruments could be used to attract greater private investment in the rental housing sector, and has emphasised the importance of giving greater attention to issues of asset management. Others have considered ways of

attracting investors into affordable housing by way of low income housing tax credit instruments (Wood & Forbes 2001).

Set against this background, the emergence of new market sector providers of affordable housing for older people during the past decade, underpinned by a range of types of private investment, suggests that there are number of specific facilitating factors at work in this particular market. Three in particular can be identified: the industry context, the perception of ageing as a high growth area, and the perception of assured public sector income streams.

It is no accident that private sector involvement in affordable housing has developed in the area of ageing. The private sector has been extensively involved as both developer and manager in the retirement industry since the 1970s (Stimson 2002), and it is this industry that has provided the context for the development of the new market sector providers of affordable rental housing. The retirement village industry is a segment of the much larger aged care and housing industry, a highly dynamic and expanding market sector that is attracting large volumes of investment capital and many new developers. In this context, the companies that came to focus on affordable rental housing for older people were driven by the development of a new market niche within this industry rather than by a concern to address older person's housing affordability as such. Thus assisted-living rental villages should be understood primarily as an extension of the retirement village and older persons' housing industries rather than as a component of the affordable housing system. Viewed from this perspective, this was a highly innovative product. While a small number of mixed-tenure retirement villages had previously included a minority of renters, the new products were amongst the first retirement villages based solely on rental and targeted to lower-income people.

The central factor driving the growth of the older person's housing industry is the perception and expectation that this is a major growth market as a consequence of population ageing. The overall market for retirement villages for older people was estimated as about \$15 billion over twenty years in 2001 (Earl 2001), and the market has grown further since that estimate was made. This level of investment funding far exceeds the capacity of the domestic residential market, and requires extensive participation from commercial investment markets. There appears to be ample availability of funds for investment in this market, subject to perceptions of risk and other factors discussed below.

This perception of older persons' housing as a growth market certainly drove investment in assisted-living retirement villages. Prospectuses and other investment documents issued by Village Life and other market sector providers emphasised the growth of the older population and the location of the product in this market. The theme that many of the growing number of older people were on low incomes, and that many required affordable rental accommodation, was central to the marketing strategies for assisted-living rental villages. The villages were portrayed as responding to a number of specific characteristics of a segment of the older population, i.e. those requiring a safe environment, companionship, a reasonable quality of housing, assistance with home maintenance and meal preparation, and all at an affordable price.

The third factor facilitating investment in assisted-living rental villages was the understanding that most tenants would have an assured public sector-sourced income. Older tenants are generally perceived by landlords to be a good risk relative to other groups of renters. However, the understanding that many tenants would be receiving their income from a reliable and regular source such as the Aged Pension, plus a rent subsidy, was a highly significant, additional positive factor. Rents in

assisted-living rental villages were indexed to increases in the Aged Pension thus ensuring regular rate rises. A particular emphasis in Village Life's promotions to investors was the message that a high proportion of older people were anticipated to be reliant to some degree on the Aged Pension.

Set against these factors facilitating investment, and particularly commercial investment in assisted-living rental villages, are a number of factors that can be identified as representing possible barriers to investment, or at least factors that would lead investors to exercise caution due to a perception of investment risk. These factors are based in part on the opinions of investors, developers and managers in the retirement village industry as expressed in the interviews conducted with them. The risk factors fall into three groups: those associated with the development process, those associated with the management of villages, and those linked to investment parameters, including valuation and taxation issues. Each of these is briefly considered below.

Risk factors associated with the development process include delays and cost escalation, problems associated with the development approval process, and land cost and availability issues. Although the development and construction industry has a long history of successful delivery of retirement village projects, there remains a substantial delivery risk, in terms both of time delays and cost escalation, in projects of this kind. This is a particular concern in situations where the developer is relying on development profits, or on rental income from completed villages for cash flow. Many investors and developers feel that complex development approval processes may exacerbate these difficulties, and that developer charges impact significantly on a project's viability. Issues of location and land availability are also major concerns. The financial structure of assisted-living rental villages, in which village income levels from rents are constrained by the value of the aged pension and rent assistance, impose limits on the price that can be paid for development sites. This tends to restrict village location to the outer fringes of capital cities or to regional centres. There are also difficulties in sourcing sites that are suitable to a rental village, including most importantly access to social infrastructure.

Management risk factors include the security of income streams, and property and tenancy management issues. The level of certainty associated with income is a major risk in any investment, and this is particularly the case in situations such as a rental village involving many individual payments. Notwithstanding the advantages associated with an older population of renters with assured income, many investors feel that direct payment of rental from Centrelink or other pension providers to the village manager would significantly reduce risk. Even further reduction in risk would flow from public agencies offering rental guarantees for this population group, but there is no expectation amongst investors that this is likely to occur. Risks associated with low occupancy rates represented the other major threat to security of income, although there has been a tendency to see this as a low level risk in the industry as a whole given the growing demands of the ageing population.

Property management issues are also perceived as a significant risk factor. The lack of quality control due to the absence of national accreditation or licensing standards for on-site managers in this area is seen by some investors and developers to present a risk of cost escalation due to poor or inadequate maintenance. There is a perception that there is a wide variation in expertise amongst those managing properties in the retirement village sector as a whole, and that the development of a national qualifications system is essential.

Tenancy management issues are also significant factors pertaining to risk, although these were given far less emphasis by those interviewed. As has already been

indicated, older people are generally perceived to be 'good' tenants, who are relatively unlikely to create difficulties for landlords in terms of damage to property, conflicts with neighbors, or rent arrears. However, management of assisted-living rental villages and similar facilities involves a client group with significant support needs and often limited financial and social resources. Management of this customer group involves complexities that may be under-estimated by those without experience in this area. This poses an investment risk insofar as it impacts on turnover and on reputation. Furthermore, provision of housing that is identifiable as 'affordable' brings into play social performance criteria that are absent from purely commercial developments, and scrutiny from the social housing sector. Investors and developers are well aware of the need to develop 'triple bottom line solutions' that advantage tenants as well as managers and investors, and of the need to focus on consumer satisfaction. However, the complexities of service provision involved in the affordable housing area are an investment risk that may at this stage be under-estimated by private investors.

The third set of risk factors are those linked to investment parameters, and related issues of valuation, taxation, and accounting standards. The lack of a set method of valuation of retirement villages creates funding difficulties. There are numerous methods of valuation in use, the most common being the discounted cash flow model, although there is no generally agreed method of selecting an appropriate discount rate. The Strategic Asset Management Model (SAMM) developed by Earl (2002) may provide a basis for the development of an industry benchmark, but this remains an area of uncertainty. There is also a perception that taxation changes and the introduction new accounting standards present areas of difficulty and uncertainty for the industry.

The issue of investment parameters, in particular the distinction between the parameters applying in the domestic residential market and those applying in the commercial investment market, are of central importance to the future of private investment in affordable housing for older people. For this reason they are discussed in some detail. In the *domestic residential market* the method of analysis to attract investment is an 'initial yield' model, with current benchmarks of an 8-10 per cent rate of return. The impact of such models is that development costs must be constrained to equate with affordability benchmarks. For example, in the standard model for assisted-living rental village's income is benchmarked at 85 per cent of the Aged Pension plus 100 per cent of rent assistance. Given that this income has defined limits, in an initial yield model development costs are critical. Little can be done to reduce construction costs, so the only major remaining variables are land and finance costs.

With respect to land, the constraints of the initial yield model mean that many developments are required to be located in fringe city or rural areas where land is relatively cheap. Most residents of retirement villages are sourced from areas within a 10 km radius (Stimson 2002), and location is also a major factor bearing on access to services such as transport, health and retail. Thus the location of villages has a major bearing on their capacity to attract and retain residents. With respect to finance, a finance rate has three components: cost of funds, risk and profit. Cost of funds and levels of profit are largely fixed by market conditions, and in the domestic residential investment market funding bodies include a relatively high risk factor in their funding rates. This also adds to overall development costs, and makes it difficult for the domestic residential model to perform at location and affordability benchmarks.

By contrast, in a *commercial investment* model, while investment benchmarks are similar to the domestic residential market at an 8-10 per cent rate of return, there is a major difference in the time horizon for the achievement of these returns. Interviews

with funders indicate that a 10 year investment horizon is commonly applied. As commercial investment is relatively stable, funders reduce the risk component in the finance rate as compared to the residential domestic market, with benefits both in location and affordability benchmarks.

The issue of investment parameters is linked to perceptions amongst investors concerning the type of investment involved when funding a rental retirement village or similar housing development. Some investors perceive that they are investing in a 'built asset' while others view their investment as a 'cash flow' similar to an infrastructure investment such as roads, bridges, or hospitals. This is a significant distinction impacting on rental levels to be paid by tenants and the financial viability of projects. In a built asset investment the time period of the investment is assessed as approximately 10-15 years, the final asset value is calculated on the built asset and land, tax shelters are limited to the first 10 years, and funds are raised from medium-term time horizon investors. By contrast, an infrastructure investment envisages a 25-30 years time horizon, final asset value is calculated on the land value alone, there is full use of tax shelters, and funds are raised from long-term horizon investors.

Modeling undertaken by Earl (2002) indicates that very significant reduction in required levels of income required to support private investment relating to affordable rental housing provision for older Australians can be achieved by applying commercial funding benchmarks rather than the initial yield model. If a number of significant changes in asset management practices were introduced, there is potential for even greater reduction in income levels required. This could then flow through to reductions in rental levels, improved location of villages, and better resourced management of villages. This modeling suggests that solutions are available to attract commercial funding to investment in affordable rental housing provision for lower-income, older Australians.

5.4 Summary and conclusions

The idea that the market sector should be viewed as a significant source of supply for affordable housing to complement provision through the social sector is now well established in Australian housing policy. As shown in section 5.2.1, this policy emphasis has many elements. It is stressed in the guiding principles of the CSHA, reflected in the increasing reliance on CRA as a form of housing assistance, and pursued as part of the broadening of the frame of reference of SHAs from 'social housing' to 'housing affordability'. All SHAs are now developing and extending a range of demand and supply-side initiatives intended to increase market sector engagement in affordable housing.

Analysis of the 'state of play' with respect to the marketisation of affordable housing in the area of older persons' housing reveals a somewhat mixed picture (section 5.2.2). There are few demand-side initiatives focused on older people, and these are mainly advice and information services. By contrast, there are numerous examples of supply-side initiatives that involve the private sector in the development and (to a lesser degree) the management of affordable housing for older people. However, with some exceptions, these are one-off projects responding to specific opportunities or circumstances. Most SHAs aspire to increase provision of affordable rental housing through the market, but this currently takes the form of a range of disparate projects and initiatives rather than a concerted strategy.

In this context, the development during the period 1998-2006 of a number of new market sector providers specifically focused on affordable housing provision for older people is of considerable significance. These companies, including Village Life, Sunnycove, Oxford Crest and others have developed over 5,000 units of affordable

accommodation for older people over this period, mainly in the form of 'assisted-living rental villages'. This has occurred without prompting or encouragement from SHAs. These companies have moved to take advantage of the market opportunities created by the growth in the number of older renters and the declining levels of supply through the social sector.

The history of the engagement of these companies in the development and management of affordable housing for older people is described in section 5.3.1. It has been a mixed and somewhat turbulent history. The market leader, Village Life, achieved rapid growth between 1998 and 2004, opening its fiftieth village in March 2004. However, in 2005 and 2006 it experienced severe financial difficulties that have curtailed its growth and resulted in it losing ownership and control of most of its network of villages, although it retains responsibility for the management of villages. Other companies have had a less turbulent history, although some have moved away from the original model of villages focused on low-income older people towards a wider range of rental housing products for older people.

The experiences of these new market sector providers of affordable housing for older people raise important questions for housing policy. Firstly, there are questions about the suitability of the affordable housing that has been developed. Issues have been raised concerning affordability, and the issues of independence and choice associated with the 'assisted-living rental village' model. Secondly, the investment and financial models underpinning these companies has come under scrutiny, especially in the light of the financial difficulties that have beset Village Life. Thirdly, there are issues relating to the management of the villages. The new market sector providers are managers as well as developers of affordable housing for older people, and their tenancy management practices should be examined in any appraisal of their performance.

While these are important issues, it is important to also focus on the broader picture, and to consider the achievements and opportunities presented by these new market sector providers. These companies, without direct public support or subsidy, have demonstrated the potential for rapid, market-driven expansion of affordable housing. This has included the capacity to attract a significant volume of investment into the affordable housing field, including domestic and commercial investment. Their experiences provide an opportunity to develop greater understanding of the factors impacting on private sector investment in affordable housing, issues that are considered in section 5.3.2. The emergence of new market sector providers may provide opportunities for new forms of partnership that involve sustained, collaborative relations amongst affordable housing providers in the public, community and private sectors.

6 POLICY AND RESEARCH IMPLICATIONS

6.1 Introduction

The preceding chapters provide a detailed scoping of current and emerging issues associated with the provision of good quality, affordable rental housing for lower income older Australians. The purpose of this final chapter is to draw this information together and consider implications for research and policy. The chapter is in three parts. Section 6.2 integrates the findings of chapters two to five using the model of demand and supply factors introduced in chapter one. This provides a summary of the policy challenges to be addressed and the choices to be made in this policy field. Section 6.3 proposes that the policy challenges in this field can be usefully portrayed as issues of governance, i.e. the capacity of state institutions to build and steer the resources of state, community and market sector actors to collectively address the housing needs of lower income, older renters. Finally, section 6.4 proposes a research agenda to underpin ongoing policy development.

6.2 Policy challenges and choices

The housing circumstances of older Australians who have not attained home ownership have been a social and political issue of some concern in the Australian community for over sixty years. While policy attention to this issue has been somewhat sporadic, there has developed over time a significant stock of rental housing suitable for lower-income, older people in the public and community housing sectors. There has also continued to be a significant proportion of older, lower-income renters, accommodated, by choice or necessity, in the market rental sector. The data presented in this report (Table 8) indicates fairly similar numbers of older renters in the social and market sectors. In the past, the question of older persons' rental housing has often been presented primarily as a problem of expansion of supply of affordable and appropriate housing through the social sector. However, in the contemporary context this may be too narrow a view. The evidence presented in this report suggests that the policy issue is best enunciated in a broader fashion. In broad terms, the policy challenge is the lack-of-fit between existing approaches to rental housing supply for lower-income older people and the emerging demands and needs resulting from the ageing of the population. Put another way, the rapid ageing of the population presents new policy challenges that cannot be adequately addressed through current policy settings.

This broader enunciation of the policy problem can be conceptualised in terms of the demand and supply factors portrayed in Figure 1. The demand for affordable rental housing for older people is shaped by the demographic changes analysed in chapter two and the changes in consumer needs and preferences examined in chapter three. Policy responses to these demand factors must consider the individual and combined capacity of the social sector (chapter four) and of the market sector (chapter five) to supply affordable rental housing to meet this demand. Each of these factors and their inter-relations are considered below.

6.2.1 The increasing levels of demand

One factor that has shaped the relatively low level of political attention paid to this issue in the past is the relatively small proportion of the population of older Australians who are renters. The analysis of the 2001 Census presented in chapter two estimates that 11.3 per cent of the total aged population and 12.1 per cent of those living in private housing were residing in accommodation that was rented (Table 2). These estimates are subject to a number of qualifications discussed in chapter two. The

proportion of the population aged 65 and over who are renting has remained relatively stable during the past two decades, although the absolute number of older renters has risen in tandem with the rise in the total number of older persons in the population. In 2001 there were an estimated 248,600 older persons living in private dwellings who were renting, compared with 143,800 two decades earlier (Table 5).

The level of demand for older persons' rental housing is shaped by the characteristics as well as the number of older renters. In terms of age distribution and gender ratios, the characteristics of older renters are quite similar to older people living in owner-occupied dwellings. The largest group of older renters are aged 65-74 (57.8 per cent), followed by those aged 75-84 (32.5 per cent) and those aged 85 and over (9.7 per cent) (Table 9). Gender ratios change with older age with women constituting 52.7 per cent of renters aged 65-74, 63.9 per cent of those aged 75-84, and 69.3 per cent of those aged 85 and over. As age increases, social housing tenure becomes progressively more likely with 53.6 per cent of those aged 85 and over in social housing, compared with 50.1 per cent and 44.5 per cent for those aged 75-84 and 65-74 respectively. In part as a consequence of the shift towards social housing tenure in older age, renters aged 85 and over generally have lower rents than those in the younger age groups. High rents are relatively uncommon for households in the higher age groups (Table 10).

The greatest differences between older renters and older homeowners are in the areas of income and household size and type. According to data from the 1999 Australian Housing Survey, older individuals and households that rent are far more likely than owner-occupiers to be reliant on government pensions or allowances as their main source of income. Furthermore, older rental households are far more likely to be low-income households than owner-occupied households, although this is attributable in part to the effect of household size. Almost half of older renters live in lone person households compared with 26 per cent of owner-occupiers. Only 37 per cent of older people in rental households identify as husband, wife or partner, compared with 62 per cent of those in owner-occupied dwellings (Table 9). One other demographic characteristic that shows variation between older renters and older owner-occupiers is birthplace, with 41 per cent of older overseas-born Australians in rental housing compared with 33 per cent for owner-occupiers.

An important factor shaping the planning of housing supply for older renters is the mix of social and market tenure. Those renting in the social housing sector comprised 5.7 per cent of persons aged 65 and over in 2001, while those renting from real estate agents and private landlords comprised 5.4 per cent (Table 8). Historically, rental in the public sector increased somewhat as a proportion of all older renters during the 1980s, and then declined somewhat during the 1990s. Market rental displayed the opposite trend with a decline during the 1990s followed by a proportional increase between 1991 and 2001 (Table 7). Public and private renters have somewhat different characteristics, with public housing tenants tending to be older, more likely to be female, and more likely to be living in single person households. Public tenants also report lower incomes, measured on the basis of individual or household income. While rental tenure has a similar level of prevalence geographically across Australia, there are large differences in the public-private mix with 46 per cent of older capital city renters living in public housing compared with 33 per cent in non-metropolitan areas (Table 12).

This description of the number and characteristics of older renters, based primarily on analysis of the 2001 Census CURF, provides a foundation for understanding the policy challenges of the next two decades. However, the demographic analysis reported in chapter 2 also includes projections of the number and characteristics of

older, low-income rental households in Australia, with low-income defined as less than \$600 per week, almost exactly the lowest income quartile for the population as a whole. This analysis indicates that the number of people aged 65 or over living in low-income rental households is projected to increase from 195,000 in 2001 to 419,000 by 2026. The number of low-income rental households with the household reference person aged 65 or over is projected to rise from 154,000 to 336,000 over the same period. This increase of 114 per cent in the number of older renters is almost entirely due to the overall increase in the number of older persons and households in the population. The proportion of the older population living in low-income, rental households is projected to increase only marginally, from 8.0 per cent in 2001 to 8.2 per cent in 2026.

Most of the growth in older person households is projected to occur amongst couple families without children and lone person households. The number of older low-income renters living in couple families without children is likely to grow from 64,500 to 139,900 (increase of 116.9 per cent) from 2001 to 2026, and the number of households from 32,200 to 69,900 (increase of 117.1 per cent) over the same period. The number of older low-income, sole person households is projected to grow from 110,800 to 243,600, an increase of 119.9 per cent from 2001 to 2026. Of those living in sole person households, 66.0 per cent (73,100) were women in 2001, and 64.3 per cent are projected to be women living alone in 2026.

The other key demographic characteristic of the future population of older, low-income renters is age distribution. By far the greatest projected changes are in the 85 and over age range where the number of older, low-income renters is estimated to increase from 17,300 to 51,000 persons. This is an increase of 194 per cent, significantly higher than the increase of 156 per cent anticipated in the number of persons aged 85 and over in all household types over this period. Projected growth of the low-income renter population in the aged group 65-74 is 103 per cent (the same as for all household types in this age group) and in the age group 75-84 is 114 per cent (compared to 109 per cent for all household types of this age).

Clearly this analysis of the current and projected demography of low-income, older renters presents a significant challenge for SHAs and all housing providers. The proportion of the population who are renters has remained stable over the past twenty years, although the absolute number of older renters has increased by 73 per cent over this period. Looking to the future, the proportion of low-income, older renters amongst the older population seems likely to increase only slightly, but the absolute number of older people in low income, rental households will more than double from 195,000 to 419,000 from 2001-2026. The greatest demand will be for housing for sole person households and for couples without children. There will be a marked increase in demand for housing suitable for persons aged 85 and over, and associated support and care requirements. Some of these demands are likely to be accentuated in the period beyond 2026 as the baby boomers reach their eighties from around 2030.

As indicated elsewhere in this report, there is little indication that the implications of this future build up of demand have been considered in detail by most SHAs to this point. The proportion of all older renters in the population who were accommodated in public housing fell significantly during the 1990s. The prospects for growth of the overall public housing stock seem poor under current policy settings, and many other groups with special housing needs have higher priority for access to social housing than older people. The policy question posed by the demographic analysis presented in this report is: what range of strategies involving the public, community and market sectors are required to meet the rapidly growing demand for affordable rental housing from older Australians over the next two decades?

6.2.2 *The diversity and changing nature of demand*

To a certain extent, the nature of the demand for affordable housing for low-income older Australians can be inferred from the demographic data summarised in section 6.2.1. It is clear from that data that there is strong demand for housing suited to older persons living alone (approximately two-thirds women and one-third men), and older couples. It is also apparent that there will be increasing demand for affordable rental housing suited to persons aged 85 and over, many of whom will also require the provision of care and support services. Other factors such as the relatively high proportion of renters who are overseas born are also relevant to the nature of housing demand.

However, a more nuanced understanding of the nature and diversity of the demand for affordable, rental housing for older Australians both now and in the future requires additional data concerning the expressed needs and preferences of older renters themselves. This data based on a comprehensive review of the literature, as well as focus groups and interviews with 130 older renters from a diversity of social groups and rental housing types, is presented in chapter three. These research findings provide a detailed foundation for developing broad principles to underpin the provision and design of older persons' rental housing in Australia. They also provide a basis for understanding the diversity of needs and preferences amongst older renters, and the appropriateness of existing and emerging rental housing types from a consumer perspective. The broad findings of this chapter, particularly as they relate to policy and research implications, are summarised below.

A consistent theme in the research literature on older persons' housing is the central importance of housing to 'ageing well', and the high value placed on housing by older people. Previous consumer studies and the consumer research conducted for this report indicate that a number of housing attributes are consistently valued by older people across all housing types and tenures. Several clusters of values have been identified through these studies. These include

- *autonomy*, including privacy and independence;
- *security*, encompassing tenure and safety;
- *social connectivity*, including companionship and opportunities for social participation; *amenity*, including size, space, location and general suitability;
- *adaptability* to changing needs and preferences;
- *affordability* (Table 18).

These values provide a generic set of criteria for assessing the suitability of housing arrangements and designs for older people. They are especially relevant to the development of housing options for older, low-income renters who may have fewer choices and less opportunity to maximise these values.

While these core housing values may be considered to be generally shared amongst older Australians, there is great diversity within the population, at both the individual and group level, regarding the weighting attributed to each of these values. The housing needs and preferences of older people vary depending on age and gender, family and household circumstance, life experiences and opportunities, cultural and social factors, life-stage and lifestyle. These individual differences can be understood in terms of a 'person-environment fit' that changes over time. Situations that often have a profound impact on the housing needs and preferences of older people include retirement with the associated opportunity to make lifestyle changes, partner loss or other major family changes, declining health and/or disability, changes in financial

status, and changes in the social and physical environment. In general, older, low-income renters have fewer resources than owner-occupiers to make adjustments to their housing circumstances to respond to these circumstances.

This consideration of the shared and distinctive housing values of older people provides a framework for considering the housing circumstances of older, low-income renters in Australia. The data presented in chapter three enables us, firstly, to distinguish the needs and preferences of a number of broad types of older renters. Secondly, it enables us to assess, on the basis of consumer opinion, the capacity of a number of current and emerging rental housing types to maximise the attributes of housing generally valued by older people. Finally, it enables us to make some general observations concerning the most appropriate structure of the rental housing system for older Australians in terms of such attributes as tenure mix, affordability, the balance of age-specific and generic housing, and the system's capacity to facilitate housing adjustments during older age.

Low-income, older renters are sometimes viewed as a generic population group who have had similar housing careers and who have broadly similar housing needs and preferences. The study reported in chapter three suggests that this is an oversimplified view and that there are four broad 'pathways' through which people become renters in older age. The first group are those who are *long-term tenants* who may have raised families in rental housing and who view their housing as the family home. These are mainly older people who are long-term public housing tenants. The second group are those who are *forced to move into rental housing* either in the years prior to older age or during older age. This group includes people who have lost home ownership through family breakdown, or bankruptcy or financial difficulty, or who have experienced breakdown of shared housing or family housing arrangements. This includes people who move into cooperative housing, assisted-living villages, public and private rental housing. The third group are those *choosing to move into age-specific rental housing* for reasons of lifestyle or support, or to free up the equity in their family home. These 'renters-by-choice' also include some older people who would not be categorised as 'low-income'. This group can be found in assisted-living villages, Abbeyfield housing, rental retirement complexes, and public housing. The final group are those who are *marginally attached to housing*. This group have a history of insecure housing often associated with chronic health or other personal issues, and tend to live in boarding houses, insecure private rental housing, or housing specifically designed for vulnerable groups.

An understanding of the diversity of pathways into renting in older age can inform decisions about the types and range of housing assistance most appropriate to older renters. Equally important is an appreciation of the diversity of rental housing types for older people (Table 1), and the positive and negative attributes of each of these from the perspective of consumers (see Table 19 and Table 21 to Table 25). The data reported in chapter three indicate that many older renters are generally satisfied with their housing, although there are some systematic patterns of positive and negative appraisal. These patterns are summarised under three headings: tenure-types, emerging age-specific housing types, and the needs and preferences of particular population groups. This data is based on qualitative research together with an analysis of previous research. It is not based on systematic sampling of the population of older renters. Further research is required to test the findings of this study.

Tenure-type is a key factor when considering the pattern of older renters' appraisal of their housing. There are consistent, marked differences between older persons' views of public rental housing, private rental housing, and housing provided through

cooperatives. Older people living in *public housing* value its affordability and security of tenure, and many have faith in government as a fair and reasonable landlord. Many consider their housing to be suitable to their needs and appropriately located. Commonly expressed disadvantages include lack of choice of location and dwelling, the transience of neighbours, lack of privacy and problems with neighbours especially in areas with a mix of age-groups, difficulties in relations with the SHA, and lack of communal facilities. By contrast, older people in *private rental* value the flexibility, choice and independence that they associate with renting privately, and the absence of the stigma often associated with public housing. However, they are concerned about the lack of security of tenure, affordability problems, limited availability and choice of housing suited to older people, difficulties in adapting housing to changing needs, and in some cases problems of harassment and discrimination. Those living in *housing cooperatives* valued its affordability, security of tenure, sense of community, and lack of stigma. However, some found the responsibilities of participation in management to be onerous, and were uncertain about the capacity of this form of housing to adapt to their changing needs as they aged.

Another area where clear patterns emerged in the study of consumer assessment of rental housing is age-specific rental housing. This is housing specifically designed for and limited to older people and includes rental retirement complexes (retirement villages), assisted-living rental villages, and small-scale communal housing such as Abbeyfield Housing. Those living in *rental retirement complexes* valued affordability, security and safety, flexibility (easy to move), and the mix of independence, companionship and sense of community. Issues of concern included poor location and access to community facilities, the poor size of units and design features, and limited privacy. Residents of *assisted-living rental villages* similarly valued the opportunity for independence with companionship, safety and security, the availability of communal facilities, and the range of services provided. Concerns included affordability, the quality of on-site management and some services, issues of location, and anxieties about future care needs. Residents of *Abbeyfield Housing* valued the small-scale of this housing form; their sense of companionship, safety and security; the affordability of this type of housing; and its general suitability for older people. Disadvantages were expressed as the tensions of community living, high reliance on the quality of the on-site management, the conflict between care and independence, and some issues of location and transport facilities.

It is important that analysis of consumer preferences by housing tenure and housing type is complemented by analysis of the housing needs and preferences of particular social groups. Three such groups of older renters were chosen for consideration in this study: older Indigenous people, older people in rural communities, and older people vulnerable to homelessness. *Older Indigenous people* in ABORIGINAL public housing and ICHO-provided housing generally valued such features as security of tenure and affordability, but had mixed views on the suitability of housing provided. *Older people living in community housing in rural areas* identified affordability, location and access to services, security and safety as positive attributes, but viewed lack of transport and isolation, some aspects of housing design, and some limitation on autonomy as problematic features of their housing.

Two main groups of *older people vulnerable to homelessness* were interviewed. Those living in supported independent housing provided by a community organisation in an inner-city area valued the affordability, location and quality of their housing, and the opportunities for companionship, support and flexibility. However, they were concerned about the safety, noisiness, and cost of inner-city living, and the need to maintain their autonomy while living in supported housing. Those living in boarding houses in the inner-city valued the affordability, location and flexibility of their housing.

There were mixed views concerning the quality of rooms and management, and some raised concerns regarding safety and autonomy.

The data presented in chapter three and summarised above provides a foundation for viewing the rental housing system for older Australians in a more systemic manner than has been the case in the past. Low-income individuals and households who reach the age of 65 as renters are unlikely to move out of this tenancy into home ownership. It is therefore desirable to examine their housing histories, circumstances, needs and preferences in a systematic fashion as a basis for the development of a diversity of housing types and tenures. The key housing attributes valued across all housing types and social groups are affordability; security, safety and stability; location and access to services; housing of reasonable quality that is suitable for older people; housing or a housing system that enables adjustments to be made as needs and circumstances change; and autonomy and independence. The range of rental housing types identified in Table 1 and examined from a consumer perspective in chapter three provides a repertoire of options for the development of an older persons' rental housing system that accommodates a diversity of housing needs and circumstances. Such a system would be characterised by a mix of tenures, a balance of age-specific and generic housing opportunities, and housing designed to meet the needs of particular population groups. The development of specific types of rental housing would be guided by evidence of consumer needs and preferences, as well as other considerations of cost and feasibility.

6.2.3 Supply through the social sector

It is clear that the supply of rental housing for older people to meet the level and nature of current and future demand identified in sections 6.2.1 and 6.2.2 will require provision through both the social and market sectors. This raises the question of the capacity of each of these sectors to respond to these emerging demands, and the issue of the most appropriate mix of social and market sector provision. In this section the capacity of the social sector is examined and in section 6.2.4 the focus is on the market sector.

The capacity of the social sector to supply rental housing for lower-income older Australians during the next two decades is broadly a function of two factors: the overall capacity of the public and community housing systems to provide social housing; and the priority given to older people within these systems relative to other high needs groups. Each is considered below.

During the last decade the overall capacity of the public housing system has been falling, measured in terms of the total number of public housing dwellings provided. Cutbacks in real levels of capital funding have been accompanied by rising operational costs linked to the increasing targeting of public housing. This has resulted in a majority of SHAs moving from a situation of moderate operating surpluses into rising structural deficits (Hall and Berry 2004). The capacity of the public housing system to expand to meet a wider range of housing needs, including those of older Australians, is dependent on the future funding of the system through the CSHA and other sources. However, there is no current indication of any major change in this respect.

The capacity of the community housing system is increasing, but remains limited. Community housing constitutes around 7 per cent of all dwellings funded through the CSHA, and there are also significant numbers of community housing providers outside of the CSHA-funded system (AIHW 2005, pp. 302-303). Future growth of the community housing sector is constrained by the same fiscal and policy settings limiting the growth of public housing, and is likely to depend on attracting private

finance through new partnership arrangements with the private sector, as discussed in chapter five.

Within a social sector that has limited, and perhaps declining, capacity to provide housing for lower income Australians, what is the capacity likely to be to make provision for the increasing number of low-income older people requiring rental housing during the next two decades? The data presented in chapter four suggests that, under current policy settings, older people are likely to struggle to maintain priority in the social housing system relative to other high needs groups. There are four problematic issues: the articulation of ageing as an emphasis in social housing policy; the nature and focus of targeting in public housing; uncertainties regarding the level of supply of dwellings within public housing suited to older people; and the limited engagement of the community housing sector with older persons' rental housing.

As documented in section 4.2, the expansion of rental housing for lower-income older people has been an Australian Government priority at various times, most notably through the Aged Persons Homes Act (mainly from 1954 – 1975) and the Pensioner Rental Housing Program (particularly during the 1970s and 1980s). However, since the early 1990s no clear policies or programs have been articulated at the Australian Government level with respect to this issue, despite the growing focus on ageing as a theme in national policy during this time. At the State and Territory level there has similarly been a general lack of policy focus on this issue, with some exceptions (section 4.3.1). The main strategic focus within SHAs has been on the social or affordable housing system as a whole, and the issue of rental housing provision for lower-income older people has been addressed in this wider context. Several of the main strategic planning documents of SHAs identify population ageing as a major issue, but this is yet to result in a system-wide strategy to significantly expand housing provision for this group.

At the operational level, the priority and allocation policies of SHAs have increasingly been targeted on those deemed to be in greatest need (AIHW 2005, pp. 290-291). Operational definitions of need vary greatly across SHAs, but overall there is increasing emphasis on people who are homeless or in extreme housing crisis, those experiencing difficulty in accessing the private rental market, those experiencing problems associated with ill-health (especially mental health), people with a disability, people in situations involving domestic violence and child safety issues, and people with complex housing and support needs (Hulse and Burke 2005). Older age as such remains a priority category only in NSW, where elderly people (aged 80 and over, or 55 and over for Indigenous applicants) constitute one category of their segmented allocations

system (

Table 30). In all other jurisdictions, older people may be deemed as high need and be given priority as a consequence of their frailty, medical needs, requirement for modified housing, or other factors, but they are not prioritised on the basis of age alone. Significant numbers of older people do continue to gain access to public housing through standard wait-turn processes, and through separate wait-lists in some jurisdictions for older persons' housing. However, it seems probable that the long-term impact of the move from a residual public housing system focused on low-income tenants to a welfare-oriented system based on priority needs will be to reduce the focus on older people relative to other population groups.

Another issue shaping the capacity of the public housing system with respect to older people is the level of supply of public housing dwellings suited to older people. This is a somewhat mixed picture. Many SHAs have expanded their supply of housing suited to older people during the past decade, either through new dwellings or up-grades of existing dwellings, and some have plans for further expansion of supply. Furthermore, the formal designation of some public housing as older persons' housing in some jurisdictions appears to facilitate overall access by older people. However, there is a move away from the specific designation of a portion of the public stock as older persons' housing in several States and Territories, and generally there is strong and increasing competition from other client groups for the limited supply of 1-2 bedroom dwellings. These last mentioned factors, together with the overall reduction in public housing stock of the past decade, suggest that the public housing system overall may not be well positioned to deal with the anticipated levels of demand of the next two decades.

Finally, the capacity of the social sector is constrained by the as yet unrealised potential of the community sector with respect to affordable rental housing provision for older people. The somewhat limited engagement of this sector with older persons' rental housing is embedded in the deflection of the *Aged Persons' Homes Act* from housing to aged care, and away from lower-income older people, between the 1950s and the 1980s (section 4.2.1). The large community sector providers of aged care services continue, in the main, to be only partially engaged in the business of affordable rental housing provision. The community housing sector supported by CSHA funding is only patchily involved in housing lower-income, older people, although there are some outstanding individual examples of successful community sector providers in this field. With the exceptions of Abbeyfield Housing, and some models such as those developed by Wintringham for addressing the needs of older people with complex needs, few distinctive models of housing provision for older people have been developed within the community housing sector.

In summary, older people will continue for some time to be well represented in the social housing system, particularly in public housing. However, this mainly reflects past policy settings rather than planning for the future. Given the overall limits to the growth of public housing, the strong emphasis on welfare objectives in the CSHA, and the lack of clear strategy and direction from the community housing sector, the prospects for expanded social supply of affordable rental housing for older people appear constrained. In this context, supply through the market sector, either directly or in the form of private sector investment in social housing, also requires consideration.

6.2.4 Supply through the market sector

Interest in the public sector in market provision of affordable rental housing has greatly increased in recent years. This interest is underpinned by the major shift in sentiment towards market provision of human services associated with the 'new public management'. The 2003 CSHA emphasised the need to develop the roles of the

community and market sectors in affordable housing, and the increasing expenditure on CRA relative to social housing expenditure through the CSHA has provided incentives to greater market sector provision of affordable housing. The shift in emphasis in many SHAs from social housing to affordable housing, and the creation or expansion of administrative units designed to develop new partnerships with the private sector, further underlines the prominence increasing given to market sector supply.

To what extent has this new approach resulted in initiatives to engage the market sector in the provision of affordable rental housing for older people? The evidence, summarised in section 5.2.2, portrays a mixed picture. There are many examples of public-private partnerships in the form of joint ventures to develop or re-develop sites to create new public housing for older people, including some quite large developments. However, partnerships that involve private companies as older person's housing managers as well as developers are less common and are somewhat ad hoc. Ongoing structures to promote and develop collaborative relations between SHAs and private companies involved in housing provision and management are still limited in scope. Many SHAs aspire to increase provision of affordable rental housing for older people through the market, but at this stage this takes the form of a range of disparate projects and initiatives rather than a concerted strategy.

Meanwhile, the private sector, unprompted by SHAs, has moved to take advantage of the opportunities created by the growth of the population of older renters and the declining levels of supply through the social sector. The development of private companies during the past decade such as Village Life, SunnyCove and Oxford Crest poses new issues which are yet to be addressed in housing policy. This sector has developed rapidly and is now managing over 5,000 units of accommodation in 'assisted-living rental villages'. This is a sizeable addition to the stock of affordable housing for older people. However, Village Life has experienced significant financial difficulties and the future of market engagement in this field is somewhat unclear. It remains to be seen whether market providers, acting independently of the public sector, will continue to expand their involvement in the affordable segment of the older person's housing market.

One issue arising from the market's involvement in affordable housing provision is the appropriateness of the housing that has been developed to the requirements of lower-income older people. 'Assisted-living rental villages' appear to have met a market demand, but this housing model does raise a number of questions. The first is the issue of affordability, which arises from the high proportion of pension income and rent assistance charged as rent. This is a major issue for a model ostensibly concerned with independent living. From an affordability perspective, the model appears to have been most suited to older people with modest savings, rather than those solely dependent on the Aged Pension. A second difficulty is the high level of standardisation and limited choice, particularly the lack of choice with respect to communal meals in the 'assisted-living' model. It can be argued that ambiguity concerning the nature of the model is a fundamental issue. Are assisted-living rental villages essentially a form of linked housing and support for older people or are they, as is more generally assumed, an independent living option?

The experiences of the new market sector providers also raise questions concerning the potential of the market sector as a partner in the development and management of affordable housing for older people. With respect to investment, the experience of Village Life and other market providers indicates that investment funds are potentially available, but that the management of the investment and the nature of the affordable housing product are critically important. The Village Life experience also points to the

critical importance of housing management. The management of assisted-living services for older people involves a diversity of roles including caretaking, catering and caring, and providing appropriate resources, training and facilities for this diversity of roles is essential.

While these are important issues, it is also important to focus on the wider picture, and the potential roles of the new market sector providers in ensuring an adequate supply of affordable rental housing for older people over the next two decades. The emergence of new market sector providers may provide opportunities for new forms of partnership between the social and market sectors. Linkages and networks between these new market sector providers and social housing providers are limited at this stage. New structures and processes need to be developed to enable market and social sector housing providers to work more closely together.

A related but wider issue is the potential for expansion of private sector investment in affordable housing. The new housing providers have demonstrated the capacity to attract a significant volume of investment into the affordable housing field, including domestic and commercial investment. Their experiences provide an opportunity to develop greater understanding of the factors impacting on private sector investment in affordable housing. There is evidence that careful attention to investment parameters and factors currently perceived as significant risk factors by institutional investors could lead to solutions to the problem of attracting long-term commercial investment into affordable rental housing provision for older Australians.

In summary, the emergence of new market sector providers has significantly altered the landscape of affordable housing provision for older Australians. Some of these companies have experienced significant financial difficulties, and their housing and support models require careful and critical examination. However, the development of a private market in affordable rental housing for older people may also provide opportunities for new approaches to rental housing provision for older Australians that combine the resources and capacities of both the social and market sectors.

6.3 The governance of affordable rental housing for older people

The key finding of this study is that the policy and program structures and processes that have emerged from sixty years of public involvement in provision of rental housing for lower-income older people may lack the capacity to effectively respond to the anticipated demand of the next two decades. Put another way, there is a need to give attention to the governance of affordable housing for older Australians. The term 'governance' is used deliberately in this context to refer to the structures and processes required to draw together state, community and market sector actors to achieve desired outcomes (Pierre and Peters 2000; Kjaer 2004; Kooiman 2003). The evidence of this report is that the provision of affordable housing for older Australians will require an integrated, multi-sector approach, directed by the public sector, but drawing on the actors and resources to be found in both the social and market sectors. Drawing on the findings of this scoping report, the key dimensions of the governance of affordable housing for older people requiring attention can be specified as policy and service system definition, steering capability, network enhancement, and change management capacity. Each of these can be viewed as aspects of the building of state and societal capacity to meet the housing needs of lower-income older Australians during the next two decades.

6.3.1 *Policy and service system definition*

At the national level, the policy field of affordable rental housing for older Australians has been bedevilled for over fifty years by a lack of clear focus and definition. The potential of the *Aged Persons' Homes Act* to provide a coherent, national service system was never realised as a consequence of policy design and implementation flaws, and deflection of energy and resources into the area of residential aged care (section 4.2.1). A large pool of public housing for older people was developed through the Pensioner Rental Housing Program of the CSHA and other State and Territory initiatives. But the role of SHAs in provision of older persons' housing has been subsumed within national policy frames emphasising the targeting of public housing on those with special housing needs (section 4.2.2). Wider national policy preoccupations with ageing policy have not as yet resulted in a renewed interest in affordable housing for older Australians (section 1.2.2).

Similarly at the State and Territory level, the provision of rental housing for older people is not a clearly defined and articulated policy field or service system. This is generally a subsidiary area of interest in State and Territory ageing policies (section 4.3.1). Most importantly, older people are dealt with in a somewhat ambiguous fashion in State and Territory social and affordable housing policies (section 4.3.1). Older people continue to occupy almost 30 per cent of public housing stock, and most States and Territories continue to earmark, formally or informally, a significant portion of their dwellings as older persons' housing. Many SHAs continue to build new stock or convert old stock for occupation by older people. However, SHAs are increasingly focused on housing provision for priority and special need groups, which generally do not include older people as such (other than NSW). The claims of older renters as a group on the social housing system derive from their low income rather than their 'priority needs', although a proportion of them do fall into various need categories. A social housing policy framework focussed on 'priority needs' puts older people into competition with all other claimants for housing assistance. While this may appear equitable from an affordable housing policy perspective, from an ageing policy perspective it is arguably too narrow a view. What is needed is an overall systemic approach that considers the roles of the public, community and market sector in an integrated approach to affordable rental housing provision for older Australians.

This point can be underscored by contrasting older persons' housing with aged care, as both a policy and service system. Aged care in Australia can be characterised as a relatively mature policy and service system with defined policy goals, formal service standards, regulatory systems, funding formulae, service level targets, user rights mechanisms, organised industry bodies, relatively well-developed networks amongst state, community and market actors, and a research evidence base (Gibson 1998). Older persons' housing has few of these characteristics. After sixty years of development it is still most accurately portrayed as an immature policy and service system, lacking the focus and definition of the more fully developed aged care system.

6.3.2 *Steering capability*

Steering capability refers to the capacity of the public sector to achieve outcomes through directing or influencing the actions of state, community and market sector actors. Steering capability is of central importance in the area of affordable housing provision for older people as approximately half of all lower-income older renters are resident in housing supplied through the market sector, and another 10 per cent are resident in the community sector (Table 8). For reasons summarised in section 6.2.3, the supply of affordable dwellings for older people required during the next two decades is unlikely to be met through the public housing system alone. The capacity

to 'steer' provision through non-state organisations and actors is thus essential to achieving affordable housing outcomes for older people.

This steering capacity is currently quite limited, although as discussed in section 5.2, there are signs of increasing momentum in this area. There are several dimensions to this issue. Firstly, effective steering requires agreement and acknowledgement both of who is steering and of which set of organisations and actors are to be 'steered'. The key participants in the rental housing system for lower-income older people clearly include the Australian Government as a party to the CSHA and provider of CRA, SHAs, and community housing providers. Other key participants identified in this report include the community sector providers of independent living units (the 'forgotten social housing sector' – McNelis 2004); the providers of specific housing types for older people such as Abbeyfield Housing; the emergent market sector providers of assisted-living rental villages such as Village Life and Sunnycove, and investors in these and similar companies (see section 5.3.2); landlords and real estate agents in the non-institutional rental housing sector; the providers of other housing forms utilised by lower-income older people such as boarding houses, caravan parks, and supported residential facilities; and the household sector. The conceptualisation of all of these providers as participants in the affordable rental housing system for older people remains under-developed.

Steering capability in this context relates to two sets of issues: the production of required levels of supply, and the quality and appropriateness of housing provision. With respect to production levels, there is clearly widespread awareness at both Commonwealth and State and Territory levels of the ageing of the population and the likelihood that this will result in greater demand for housing assistance to lower-income older people who do not own their homes (Australia Productivity Commission 2005, pp. 223-231). However, this has not been translated into integrated policies to develop supply through the social and market sectors. Some States, most notably NSW, have indicated intent to increase supply through the public housing system. However, no SHAs or the Australian Government, have conceptualised this field as comprising several sectors and numerous actors whose resources need to be combined to produce positive housing outcomes for lower-income people who do not own their homes. One consequence has been the rapid development during the past six years of private sector provision of affordable rental housing, largely disconnected from social sector provision and from wider public policy goals concerning housing provision for older people.

Steering capability also involves the capacity to influence or direct the type, quality, location and standard of housing provision in both the social and market sectors. This can be achieved through processes involving discussion and negotiation or through more directive, regulatory mechanisms. Within the social sector there is evidence of a trend towards higher amenity of public housing for older people, and there are processes designed to ensure good tenancy management practice. There is, however, less evidence of any trend towards greater diversity of provision to respond to the range of needs and preferences discussed in chapter three, other than in the small community sector. Monitoring the quality of housing provision for older people in the market sector is not especially well developed. Some States and Territories have developed a range of measures, including both incentives and regulatory provisions, to enhance housing quality in certain forms of housing such as boarding houses, caravan parks and supported residential services. Others have attempted to regulate aspects of quality through urban planning and development approval processes, with mixed results. However, some new housing forms such as assisted-living rental retirement villages do not fit well with existing regulatory systems. The public sector currently provides demand-side subsidies to the market sector in the

form of CRA. It can be argued that complementary measures to ensure a more effective and integrated supply through the market sector should be considered.

6.3.3 Network enhancement

A central emphasis in contemporary public management theory is the importance of effective management of the complex networks of actors that comprise policy and service systems (Kjaer 2004, pp. 41-49). The evidence of this report is that the networks linking the major actors in provision of rental housing to older people are at this stage largely undeveloped. The Australian Government and SHAs have ongoing mechanisms for consultation on social housing matters, but these do not appear to have had a particular focus on older persons' housing. Links between market, community and state sector providers tend to be ad hoc, focused on particular projects rather than on wider strategic issues. Industry bodies in the aged care and housing sector appear to be focused more on other industry segments such as aged care services and retirement villages. There is little interaction between community sector providers of older persons' housing in the CSHA sector and those in the independent living unit sector. Potentially important linkages between, for example, private sector investors and community sector providers, or major market providers of rental housing and SHAs, are generally weak at this stage. This reflects the lack of definition of the field of older persons' housing, as well as other structural, cultural and historical factors.

6.3.4 Change management

These governance deficits impact on overall capacity to manage the increased demand and changing needs and preferences for older persons' housing documented in chapters two and three. General awareness of population ageing has not, as yet, resulted in the development of strategies to increase and diversify the supply of affordable housing for older Australians. In particular, the development of significant levels of organised, market provision has not as yet been factored into service system planning. The issue of rental housing for older people is still predominantly viewed as a question of the priority this population group should receive within the social housing system. The policy question, 'What priority should be given to older people in social housing provision?' is likely to lead to limited supply, given many other pressing claims. The policy question, 'What range of initiatives involving the public, community and market sectors are required to meet current and anticipated demand for affordable housing for lower-income renters?' points to a more integrated and expansive policy approach.

6.4 Developing the evidence base

One dimension of good governance is the effectiveness of the linkages between the producers of research and the developers of policy. The final task of this report is to identify an ongoing program of research to inform policy development. Further research is required to understand the magnitude and nature of demand for affordable rental housing for older people, and to develop an understanding of how the social and market sectors can best work together on the supply-side. Key research areas and issues include:

1. The statistical base for demography of older renters
2. Older renters in the private rental market
3. Housing needs and circumstances of specific groups of older people
4. Older people living with family

5. The categories of older renters
6. Emerging 'age-specific' rental housing types
7. Management of older tenants in public housing
8. Integrating housing and care for older people
9. The community housing sector and older persons' housing
10. Market sector provision of affordable rental housing for older people.

Each of these is briefly described below.

6.4.1 The statistical base for demographic analysis of older renters

One key finding of the demographic analysis of older renters presented in this report is the need to improve the categories of housing and tenure used in the Census and other statistical collections to describe and analyse the housing circumstances of older Australians (chapter two, especially section 2.6). The range of housing types and tenures identified in Table 1 are not especially well captured in the Census. The diversity of types of non-private dwellings has increased and important distinctions amongst emerging housing arrangements are not reflected well in existing classifications. Furthermore, the issue of understanding the tenure circumstances of older Australians who reside as 'other members' of households, rather than as householders in their own right, remains unresolved. While this report has focused on older renters, there are similar statistical issues arising from the increasing diversity of housing and living arrangements in older persons' accommodation generally, including retirement villages. A more refined and reliable statistical basis is required to underpin policy development in this area.

6.4.2 Older renters in the private rental market

Older renters living in private dwellings are fairly evenly balanced between private and public tenure (Table 8). The analysis presented in this report suggests that under current policy settings the proportion, and more particularly the number, of older private market renters is likely to increase considerably over the next two decades. Many studies have noted the affordability problems experienced by older, private renters, but these findings have not been complemented by systematic research on the housing circumstances and experiences of older people in the Australian private rental market. The focus group findings reported in section 3.4.2 of this report, together with much anecdotal evidence, point to significant issues of lack of security of tenure, limited choice, consumer protection issues, and poor housing quality, as well as affordability issues. Further understanding of the housing and living circumstances of this group of older people, as well as their demographic characteristics and housing preferences, is an important foundation for housing policy development, and for policies designed more generally to address issues of social disadvantage in older age.

6.4.3 Housing needs and circumstances of specific groups of older people

The generic housing values and preferences of older people are widely understood. The research findings are summarised in chapter three, especially Table 18. However, a key finding of the consumer study reported in chapter three is the diversity of housing needs and preferences of particular groups of older people. Of particular interest in the Australian context are the housing needs and circumstances of older women and men, older Indigenous people, people from culturally and linguistically diverse backgrounds, people who have a strong attachment to rural and remote localities, and older people vulnerable to homelessness. Of these groups, only those

at risk of homelessness have been the subject of systematic research (Judd et. al. 2004). There is general recognition in public policy of the importance of sensitivity to the particularities of these groups in service provision. More detailed analysis of their housing needs, circumstances and preferences is required to enhance the responsiveness of services and policies.

6.4.4 Older people living with family

While much research on older people in Australia emphasises the preference of many older people for independence from family in older age (Olsberg and Winters 2005), living with family members other than spouse or partner continues to be widespread amongst older Australians. As indicated in this report, reliable estimates of the number of older people living with family members are difficult to derive from existing statistical collections, but ABS estimates suggest that the figure may be around 12 per cent of all older people (ABS 1999, p. 30). This significant level of reliance on the household sector for housing and support of older people has important policy implications including its impact on demand for housing and aged care, and its implications for intergenerational transfers of both a financial and non-financial kind. While 'family housing' may be considered a category of rental housing for older people as in Table 1, it may be more discerning to view it as a fourth major type of housing arrangement for older people, alongside owner occupation, rental, and residence in an aged care facility. Viewed from this perspective, we need to understand far more about the circumstances, characteristics, preferences, arrangements and outcomes of this set of housing arrangements for older people. This has implications for ageing policies that extend beyond housing policy, and into the areas of social care, income security, social participation and inter-generational transfers.

6.4.5 The housing pathways of older renters

A significant contribution of this study is the identification, on the basis of focus group interviews, of four groups of older renters: long term tenants, those moving by choice to age-specific rental housing, those dropping out of home-ownership through circumstances not of their choosing, and those marginally attached to housing. This categorisation provides a basis for more detailed analysis of the nature of older-age renting in Australia. Australian ageing policies largely assume and support high levels of home-ownership amongst the older population, and significant short-term changes in these levels are extremely unlikely. However, further understanding of the housing pathways leading to later-life renting may provide a pointer to longer term trends, as well as providing an understanding of the circumstances and aspirations of the current renting population. Who are the long term older tenants and are they to be found mainly in public or private tenure? What factors are associated with dropping out of home ownership in the latter part of life, and what housing assistance might be provided to those in this circumstance? What are the housing needs, options and pathways for those marginally attached to housing, and what are the implications for public policies relating to boarding houses, caravan parks, and integrated housing and care services? How significant is rental-by-choice amongst older Australians, and is the number of those opting for rental likely to increase? This last question is related to the wider issue of the drawing down of housing equity in later life, and implications of these trends for the housing and security of older people.

6.4.6 Emerging 'age-specific' rental housing types

An important focus for future research is critical analysis of emerging 'age-specific' rental housing types in Australia including rental retirement villages, assisted-living rental villages, Abbeyfield housing, housing cooperatives, and other models referred

to in the report. The main focus of research on age-specific housing for older people in Australia has been on retirement villages, and there has been limited analysis of other approaches. In order to provide an evidence base for diversity in housing provision, it is important to build on the focus group research reported in chapter three to develop an understanding of the suitability of various housing types from both a consumer and a management perspective.

6.4.7 Management of older tenants in public housing

Older people currently comprise approximately 30 per cent of public housing tenants and SHAs are facing significant issues of tenancy and stock management resulting from the ageing of public housing tenants and wider changes in the public housing system (chapter four). Challenges include the provision of care and support services for older public tenants, especially those who are frail or who have complex needs; the development of a diversity of housing types to meet the various circumstances of older people; the modification and up-grading of housing stock to improve accessibility and suitability; tenancy management issues arising from the increasing proportion of people with complex needs living in public housing complexes; and broader stock management issues in a context of high demand and limited supply. Systematic analysis of the experience of SHAs in addressing these issues and carefully designed consumer research can provide an evidence base to assist public housing managers to meet these challenges.

6.4.8 Integrating housing, support and care for older people

The importance of research that evaluates current arrangements and develops new approaches to the integration of housing, support and care for older people is confirmed by the findings of the consumer and supply sub-studies included in this report. Concerns about current and future access to care and support services were a strong theme in the consumer focus groups reported in chapter three. Many of the emerging rental housing types identified in Table 1 include various forms of assisted-living services and communal amenities. Links to care and support for older people are a significant management issue in public housing, and a number of community housing providers have developed linked housing and care provision particularly for older people with complex needs. Critical appraisal of the experiences of linking housing, support and care in the older persons' rental sector can make an important contribution to the development of new service models and approaches.

6.4.9 The community housing sector and older persons' housing

As discussed in chapter four, the community housing sector's engagement with rental housing for older people has a complex history, and it can be argued that the potential of the community housing sector as a major provider of affordable rental housing for older people remains unrealised. For historical reasons described in section 4.2.1, the large-scale providers of aged care and housing for older people are primarily focused on the residential aged care, community care and retirement village sectors, and are only patchily involved in affordable rental housing provision. The community housing sector has made some important contributions to provision of older persons' housing, but its current capacity in this area is limited. Research can play an important role in documenting the engagement of the sector with affordable rental housing for older people, and identifying factors facilitating and impeding greater engagement. Of particular significance is an understanding of the processes through which community sector organisations can develop more effective links and networks with state and market actors.

6.4.10 Market sector provision of affordable rental housing for older people

The rapid growth of market sector provision of affordable rental housing in recent years through companies such as Village Life and Sunnycove, described in section 5.3.2, is an important milestone in the history of this service area. It marks the beginning of institutional investment in and provision of affordable rental housing for older people by the market sector. This development needs to be carefully assessed by policy-makers responsible for affordable housing provision for older Australians. There are several policy questions each of which requires research input. Firstly, do these developments provide housing that is appropriate in terms of prevailing standards of quality and affordability? Secondly, do they represent a sustainable approach to the funding, development and management of affordable housing for older people, and what do they tell us about the financial instruments and products that are required to stimulate greater institutional investment in affordable rental housing for older people? Thirdly, what are the appropriate roles for SHAs (if any) in supporting, funding, and regulating these emerging housing products, and working with the new market sector providers?

6.5 Conclusion

The importance of developing policies to address the challenges posed by the ageing of the Australian population is widely acknowledged, and whole-of-government policy processes are in train to ensure that Australians 'age well'. However, the issue of ensuring adequate and appropriate provision of affordable housing for lower-income older people who have not attained home ownership is not as yet firmly on the political agenda at either the national or State and Territory levels. This report estimates that the number of people aged 65 and over living in low-income rental households will increase from 195,000 in 2001 to 419,000 in 2026. The largest proportional increase will be in the number of people aged 85 and over in low-income rental households which is estimated to increase from 17,300 to 51,000 persons. The future population of older renters will have a great diversity of housing needs and preferences. It is advisable that policies are now put in place to ensure that the level of supply of housing for this group matches the anticipated level of demand.

The evidence of this report is that the supply of rental housing to meet this demand will require provision through both the social and market sectors. The current and likely future demands on a contracting public housing system from a wide range of high and special need groups are such that reliance on the public housing system alone is unlikely to result in an adequate level of affordable rental housing for older people. In this context, a more appropriate strategy may be an integrated, multi-sector approach, directed by SHAs, but drawing fully on the resources of the public, community and market housing systems. There is evidence that there is considerable capacity for growth in the community and market sectors. However, there is a need for leadership to develop an affordable housing system for older people that brings these sectors together to achieve socially-defined outcomes.

Based on the findings of this report, ten inter-linked initiatives can be identified that collectively would comprise a renewed program to meet the challenge of housing Australia's lower-income, non-home owners. This ten-point program comprises the following actions:

1. Establish the objective of providing affordable housing for older Australians who have not yet achieved home ownership as a *policy focus* linked to the wider policy agendas emphasising the need to ensure that all older Australians are provided the opportunity to 'age well'.

2. Develop new *management processes* for older person's housing that emphasise the development of collaborative networks amongst public, community and private sector providers, including consumer representation.
3. Define the place of *public housing* in an overall strategy to provide a diversity of affordable housing options for older people, including anticipated overall levels of provision and the range of forms of housing to be provided, including the mix of age-specific and generic housing.
4. Develop the capacity of housing associations, local government and other organisations in the *community housing sector* to expand affordable rental housing stock for older people, particularly through the use of private sector investment.
5. Develop a new initiative to build the extensive stock of independent living units provided through church and community organisations in the community *aged care sector* into an affordable housing system linked to wider policies relating to the provision of housing and care for older people.
6. Identify the *market sector* as a key provider of affordable rental housing for older people, and consider the range of ways to build this sector into a major provider, to ensure that its products are appropriate to the needs of older people, and to facilitate the long-term financial viability of the sector.
7. Explore the potential for various forms of private investment including *domestic and commercial investment* in older person's affordable housing, provided through community and market sector organisations, and involving a range of types of public-private sector partnerships.
8. Develop *regulatory processes* appropriate to the diversity of housing forms for older people that are now emerging to address housing quality, consumer protection and urban planning issues.
9. Explore and develop a range of ways to more effectively *link the affordable housing system for older people with the aged care system*, at both the strategic and operational levels.
10. Develop a program of *research to underpin these initiatives*, and to strengthen the networks between researchers and those responsible for the development of policies and programs for affordable rental housing for older people.

Overall, this task can be summarised as one of developing a new approach to the governance of affordable rental housing for older Australians. It is consistent with the Australian Government's and State and Territory Governments' strategies to address the issues associated with the ageing of the Australian, and with the guiding principles of the CSHA which emphasise the promotion of 'a national, strategic, integrated and long term vision for affordable housing in Australia through a comprehensive approach by all levels of government' (Australia 2003). The task involves clear articulation of affordable housing for older people as a policy and service system; development of the steering capacity of SHAs; deepening and enhancement of the networks of public, community and market sector providers; and through these processes achieving the capacity to manage the changes that are anticipated over the next two decades. These tasks and processes will need to be underpinned by a strong research evidence base. In short, the mission is to build social and market sector capacity in tandem to meet the housing needs of lower-income older Australians during the first quarter of the twenty-first century.

APPENDIX 1: BRIEF DESCRIPTIONS OF RENTAL HOUSING TYPES FOR OLDER AUSTRALIANS

Table 1 provides a typology of ten rental housing types for older Australians. These are briefly described below in terms of the dimensions specified in the table.

Public rental housing

Public rental housing is housing that is provided by SHAs mainly under the funding arrangements of the Commonwealth-State Housing Agreement. This is a major component of rental housing for older people with some 40 per cent of renters aged 65 and over occupying public housing. The AIHW estimates that the number of public housing tenancies headed by a person aged 65 and over at 30 June 2004 was 94,915, which comprises 28.2 per cent of all public housing tenancies. There are two main groups of older public housing tenants. Firstly, there are those who entered public housing as younger adults and who have aged in public housing. Secondly, there are those who entered public housing after retirement on the age pension. Older people in public housing may be living in the general public housing stock of detached housing, units or flats, or in housing originally designed as older persons' housing. Generally speaking, older people in public housing do not receive care and support services or have access to communal amenities, although they may receive services provided through community care programs.

Private rental housing

Private rental housing encompasses all housing rented from private landlords, real estate agents and employers. Approximately 18 per cent of all Australians live in privately rented dwellings, but the proportion of people aged 65 and over in privately rented dwellings is only about 7 per cent. Nevertheless, this is the largest group of older renters comprising over 60 per cent of renters in private dwellings in 2001 (Howe 2003, p. 8). Older people in private rental may be lifelong renters, or they may have previously been home-owners who through necessity or choice no longer own their place of residence. Private rental housing comes in many physical forms including detached housing, semi-detached housing, townhouses, units and apartments. Most older renters live in dwellings that are available to all age-groups in the population. However, a small proportion of rental housing is marketed particularly for older people. Most private rental housing does not include assisted-living services and communal amenities, although there are some serviced apartments. Private renters may be able to access community care services.

Rental retirement complexes

Retirement complexes, commonly known as retirement villages, are groupings on one site of independent-living units for people aged 55 and over (Stimson 2002, p. 23). The 'resident-funded' retirement village industry developed in Australia from the mid 1970s with both non-profit organisations and private companies involved as developers and operators. It is estimated that the number of resident-funded retirement villages in Australia in the late 1990s was approximately 1,500 with some 54,000 residents (Stimson 2002, p. 19). Most residents in retirement villages either own their dwelling through some form of strata title, or have a form of life tenure through a loan, licence or leasehold arrangement. However, a small number of villages operate on a rental basis, or offer a number of units for rent (ABS 1999, pp. 91-92). Data derived from the 2001 Census and reported in Table 3 indicate a total of 74,356 residents in this form of accommodation, of whom 11,731 are renting. Dwellings in retirement villages are most commonly semi-detached units or

apartments, although there are also some detached dwellings. 'Resort-style' retirement villages may have a wide range of community and recreational amenities, and most villages typically have a community building, on-site management and some community facilities. Generally, retirement villages do not offer a wide range of assisted-living services or community care services, although they often provide help with home maintenance and on-site emergency assistance.

A sub-category of rental retirement villages are the 'independent living units' (ILUs) for older people funded by the Australian Government under the Aged Persons Homes Act between 1954 and 1986 (McNelis 2004). These units were developed and operated by not-for-profit organisations and targeted at older people with relatively low incomes and low value assets. Most ILUs are cottages located in a village environment, providing facilities such as a meeting room, emergency alarm and on-site management. Some are provided on a rental basis, although others through residence agreements require an upfront, in-going financial contribution. Many, but not all, are managed under retirement village legislation, and they can generally be viewed as part of the retirement village industry. It has been estimated that there are currently up to 34,000 ILUs in Australia (McNelis 2004, pp. 16-17). ILUs have been described as a 'forgotten social housing sector' that has considerable potential to meet the housing needs of lower-income, older Australians (McNelis 2004).

Assisted-living rental villages

Assisted-living rental villages have been developed during the past five years by private companies such as Village Life and SunnyCove as a new form of affordable rental housing for older Australians. There are now well over 4,000 accommodation units in the affordable rental villages developed and operated by these and other companies. These are self-contained, furnished rental units in a retirement-village environment, offering all meals, linen, on-site management, property maintenance, and community facilities including dining, lounge, and recreational activities. The cost to residents is 85 per cent of the standard single aged pension plus 100 per cent of rent assistance. This housing is targeted on lower-income, older Australians who are renters. Village Life was listed as a public company in 2003, and operates approximately 80 villages in all States of Australia. SunnyCove has eight villages, and is now diversifying its products to also include newer models of 'rental-by-choice'.

Small-scale communal housing

The main example of small-scale communal housing for older people in Australia is Abbeyfield housing (Dunster 1986), although there are also other similar forms of group housing or cluster housing especially in rural localities (Howe 1992, p. 98). Abbeyfield housing provides small-scale (usually maximum 10 persons) group housing in private bed-sitting rooms with shared dining and living areas. The underlying philosophy is to provide groups of older people with a home-like environment in their local area. An Abbeyfield house includes on-site management, maintenance, provision of meals, laundry and cleaning services. Residents pay rent set at 75 per cent of combined pension and rent assistance (Forsyth 1992, pp. 19-21). There are approximately 30 Abbeyfield houses around Australia.

Community and cooperative housing

Community housing is housing delivered by housing associations, housing cooperatives, and local government. This is a relatively small housing sector, focused on providing flexible housing responses to people with special needs including older people (AIHW 2005, pp. 302-307). Data drawn from the 2001 Census suggests that some 12,300 householders aged 65 and over rent in the community housing sector.

Community housing comprises both short term accommodation to people who are homeless or in crisis, and medium to long term rental accommodation. Much of the latter is funded through the Commonwealth-State Housing Agreement under the Community Housing Program. As it is often focused on individuals with special needs, community housing often includes support services or close links with other service providers. Most community housing comprises individual dwellings, often 1-2 bedroom units, although rooming and boarding houses are also provided through this sector. A small proportion of community housing is organised on a cooperative basis, i.e. rental housing for people on low to moderate incomes where members select tenants, manage and maintain the housing. The community housing sector also includes over 600 Indigenous community housing organisations (ICHOs) that provide over 21,000 dwellings to Aboriginal and Torres Strait Islander peoples. No information is available on the extent to which these programs include older Indigenous persons (ABS 2002a).

Residential parks

A small number of older people reside in caravans, cabins, manufactured homes, houseboats and similar arrangements. Data derived from the ABS 2001 Census and reported in Table 3 indicates 48,436 persons aged 65 and over living in these housing types, including 3,530 renters. Some older residents of caravan parks are retirees attracted to them for lifestyle reasons (Olsberg et. al 2004, pp. 27-28). However, caravan park residents have a disproportionately high number of lower-income families, with some 41 per cent of those who rent reported as being in housing stress (Wensing, Holloway and Wood 2003, pp. ii-iii). The communal amenities available in caravan parks vary greatly, but minimally include on-site management and laundry facilities. Caravans may be a suitable accommodation option for some older people, especially those early in retirement looking for lifestyle changes. However, caravans also provide housing for older people with no other options and whose frailty may make this form of accommodation unsuitable (Howe 1992, p. 28).

Boarding and rooming houses

Boarding houses, rooming houses and private hotels are housing types located mainly in inner-city areas that provide low cost accommodation for lower-income people of all ages. They provide long-term single or shared rooms, often furnished, and shared bathroom, kitchen and laundry facilities. In many but not all boarding and rooming houses meals and serviced rooms are provided. There have been substantial declines in the number of boarding houses in recent years due largely to processes of gentrification (Greenhalgh et. al. 2004, pp. 2-5). The 2001 Census recorded 1,491 boarding houses and private hotels in Australia. In the 2001 Census there were 2,261 persons aged 65 and over recorded as living in boarding houses and private hotels (Table 3). Historically, most boarding houses have been operated by the private sector, but the community sector is also involved in boarding house provision.

Supported residential services and facilities

In many States there are facilities which provide accommodation and care for people with disabilities who need support in everyday life, including frail, older people. These are variously known as supported accommodation (Queensland), licensed residential centres (NSW), supported residential facilities (SA), and supported residential services (Vic) (Greenhalgh et. al. 2004). They are usually provided by the private sector, and they are not part of the residential aged care system. They can range from very small facilities with as few as four residents through to larger facilities with more

than 100 residents. Accommodation is in furnished single or shared rooms in purpose-built or adapted facilities. The care provided usually includes assistance with showering, personal hygiene, toileting, dressing, meals and medication, as well as physical and emotional support. Some services provide nursing care and allied health services.

Family housing

The final type of rental housing for older people involves older people living with family on a rental basis, or lodging with a non-family member. ABS (2003) report that in 2001 fully 20 per cent of people aged 65 and over in private dwellings lived in family households with their children, their children's family, or other family members, but without a partner. It is difficult to determine for these households if the older person is the home owner, renting from children, living rent free, or some other arrangement. Furthermore, older people occupying 'granny flats' or 'granny cabins', self-contained accommodation within or alongside a relative's home, are treated as separate households if they do not live and share meals with others (Rowland 1991, p. 20). There is a longstanding interest in Australia in the potential of 'granny flats' (Australia Social Welfare Commission 1975, pp. 88-91), and the Victorian Office of Housing continues to operate a program providing some 2000 units of accommodation. Difficulties in Census data collection mean that the specific number of older renters in the household sector is unknown, although it is clear living with family does represent an important rental housing option, either by choice or necessity, for significant numbers of older people (Olsberg et. al. 2004).

APPENDIX 2: THE CONSUMER STUDY – SAMPLE CHARACTERISTICS

Table 34: Housing type, tenure or group by gender, age, household type, and rent

Housing type, tenure or group	n	Gender (% women)	Mean age	% Living alone	Mean rent per f'night (\$)
Public Housing	18	67	71	67	135
Private rental	11	82	70	64	304
Cooperative housing	6	83	69.5	33	192
Assisted living village	28	57	74	89	479
			75		480
			77.5		470
Abbeyfield housing	9	78	81	78	443
Rental retirement complexes	9	78	79	100	174
Rural areas	8	75	78	100	183
Indigenous – public housing	15	66	65	23	141
Indigenous – community housing	5	100	71	100	130
At risk of Homelessness; housing with support	10	40	71	100	213
Homeless risk; Boarding houses	10	30	59.5	100	159
Homeless risk; Community Housing	1	100	74	100	269
Total sample	130	65	72	77	265

Table 35: Housing type, tenure or group by income source

Housing type, tenure or group	n	Aged pension (%)	Disability support pension (%)	Veterans pension (%)	Other (%)
Public Housing	18	89		11	
Private rental	11	64		18	18
Cooperative housing	6	100			
Assisted living villages	28	64		11	25
Abbeyfield housing	9	78			22
Rental retirement complexes	9	78			22
Rural areas	8	50			50
Indigenous – public housing	15	57	7		36
Indigenous – community housing	5	80	20		
As risk of homelessness; housing with support	10	90		10	
Homeless risk; Boarding houses	10	40	40	10	10
Homeless risk; Community Housing	1	100			
Total sample	130	70	5	5	20

Table 36: Housing type, tenure or group by age groups

Housing type, tenure or group	n	50-64 (%)	65-74 (%)	75-84 (%)	85+ (%)
Public Housing	18	0	72	28	0
Private rental	11	9	64	18	9
Cooperative housing	6	0	83	17	0
Assisted living villages	28	0	43	43	14
Abbeyfield housing	9	0	22	44	33
Rental retirement complexes	9	0	22	55	22
Rural areas	8	0	50	25	25
Indigenous – public housing	15	57	36	7	0
Indigenous – community housing	5	20	60	20	0
As risk of homelessness; housing with support	10	0	90	0	10
Homeless risk; Boarding houses	10	70	30	0	0
Homeless risk; Community Housing	1	0	100	0	0
Total sample	130	13	51	27	10

Table 37: Housing type, tenure or group by satisfaction (%)

Housing type, tenure or group	n	Very Dissatisfied	Dissatisfied	Neither	Satisfied	Very Satisfied
Public Housing	18	0	0	0	28	72
Private rental	11	18	27	18	18	18
Cooperative housing	6	0	0	0	20	80
Assisted living villages	28	0	4	0	33	63
Abbeyfield housing	9	0	0	0	43	57
Rental retirement complexes	9	0	0	12	25	63
Rural areas	8	0	0	0	25	75
Indigenous – public housing	15	0	0	7	36	57
Indigenous – community housing	5	0	0	0	50	50
As risk of homelessness; housing with support	10	0	10	10	70	10
Homeless risk; Boarding houses	10	0	10	20	60	10
Homeless risk; Community Housing	1	0	0	0	0	100
Total sample	130	1.6	5	5.7	36	52

Table 38: Housing type, tenure or group by prior living arrangement

Prior housing	n	Own home (%)	Public Housing (%)	Private rental (%)	Boarding House (%)	With family (%)	Retirement Village (%)	Indigenous housing (%)	Other (%)
Public Housing	18	11	33	28	0	22	0	0	6
Private rental	11	9	9	64	0	9	0	0	9
Cooperative housing	6	0	20	80	0	0	0	0	0
Assisted living villages	28	39	7	18	0	11	18	0	7
Abbeyfield housing	9	75	12.5	0	0	0	0	0	12.5
Rental retirement complexes	9	11	11	33	0	11	33	0	0
Rural areas	8	88		12	0	0	0	0	0
Indigenous – public housing	15	14	7	47	0	14	0	20	0
Indigenous – community housing	5	0	60	20	0	20	0	0	0
As risk of homelessness; housing with support	10	0	10	50	20	0	0	0	20
Homeless risk; Boarding houses	10	10	0	30	60	0	0	0	0
Homeless risk; Community Housing	1	0	0	100	0	0	0	0	0
Total sample	130	24	13	35	7.6	9	6	2	5

APPENDIX 3: THE SOCIAL SECTOR STUDY – LIST OF INTERVIEWEES

- Ms Kim Bamford, Senior Housing Analyst, Housing Tasmania.
- Ms Christina Benham, A/Manager, Private Housing System Development, Queensland Department of Housing.
- Mr Stephen Boylen, Director of Planning Policy & Research, Office for Senior Interests and Volunteering, Department for Community Development, Western Australia.
- Mr Peter Brady, Senior Manager, Office of Ageing, Chief Minister's Department, Australian Capital Territory.
- Mr Ray Brincat, Area Director, Southern Suburbs, Department of Housing, New South Wales.
- Ms Heather Cartmel, Senior Project Officer, Long Term Community Housing, Office of Housing, Victoria.
- Ms Janina Clerk, Private Housing System Development, Queensland Department of Housing.
- Ms Anne Cole, Senior Program Officer, Office for Seniors, Queensland Department of Communities.
- Mr Shaun Cox, Service Development and Support, Territory Housing, Northern Territory.
- Ms Jill Coyne, Manager, SRS and Accommodation Support Unit, Aged Care Branch, Department of Human Services.
- Ms Alison Cramond, Operational Policy and Planning, South Australian Housing Trust.
- Ms Penny Crocker, Area Manager, Planning South Australia, Department of Transport and Urban Planning.
- Mr Alan Dick, Manager, Business and Financial Analysis Unit, Queensland Department of Housing.
- Ms Robyn Evans, Asset Strategy Unit, South Australian Housing Trust.
- Ms Helen Ferguson, Director, Housing Policy and Research, Queensland Department of Housing.
- Ms Jane Fletcher, Manager, Policy, South Australian Community Housing Authority.
- Ms Anne Gale, Director, Office of Ageing, South Australia.
- Ms Jo Gardiner, Project Manager, Supported Housing Company, Department of Housing, New South Wales.
- Mr Antonio Gariano, Senior Policy Research Officer, Public Housing Policy Branch, Queensland Department of Housing.
- Ms Meredith Gibbons, Housing Policy Branch, Department of Local Government, Housing and Sport, Northern Territory.
- Mr Mark Groote, Asset Strategy Unit, South Australian Housing Trust.
- Mr Ian Hafekost, Manager, Social Housing Policy and Planning, Department of Housing and Works, Western Australia.

Ms Susan Hawkeswood, Tenant Advocate, Older Persons Tenants' Service, Combined Pensioners and Superannuants Association of NSW.

Ms Jane Herrington, Director Aged Care, Department of Human Services, Victoria.

Ms Liz Hodgeman, South Australian Community Housing Authority.

Ms Lyndall Holz, Director, Community Housing, Queensland Department of Housing.

Ms Kath Howlett, Accommodation Support Unit, Aged Care, Department of Human Services, Victoria.

Ms Kylie Jackson, Housing Consultant, Affordable Housing Strategy, Housing Tasmania.

Ms Linda Jamieson, Manager, Seniors Bureau, Department of Premier and Cabinet, Tasmania.

Ms Peta Jervis, Director, Office for Seniors, Queensland Department of Communities.

Mr Peter Johns, Asset Management, Housing and Community Services, Department of Disability, Housing and Community Services, ACT.

Mr Margus Karilaid, Manager, Public Housing Policy Branch, Queensland Department of Housing.

Ms Sue Keys, Senior Policy Officer, Office of Senior Territorians, Department of the Chief Minister, Northern Territory.

Mr Hiro Kawamata, Manager, Property Portfolio Management, Queensland Department of Housing.

Mr James Knightley, Senior Program Officer, Office for Seniors, Queensland Department of Communities.

Ms Nicole Lawrence, Policy Officer, Public Housing Strategy, Office of Housing, Department of Human Services, Victoria.

Ms Deborah Leisser, Deputy Director, Housing Tasmania.

Ms Jeanette Lewis, Manager, Strategic Policy and Information, Housing Tasmania.

Ms Maryanne Lewis, Manager Operational Policy, Housing Tasmania.

Mr Phil Lindenmayer, Section Manager, Research and Analysis, Seniors and Means Test Branch, Department of Family and Community Services, Australian Government.

Ms Robyn Lloyd, Coordinator Disability Services, Department of Housing and Works, Western Australia.

Ms Kay Lunt, Principal Policy Coordinator, Office for Senior Interests and Volunteering, Department for Community Development, Western Australia.

Mr Ross Mackay, Case Manager, Aged Persons' Accommodation, Chief Minister's Department, Australian Capital Territory.

Mr Robert Macbeth, Manager, Long Term Community Housing, Office of Housing, Victoria.

Ms Morag McCrone, Industry Development, Office of Housing, Victoria.

Mr Stuart McLaughlin, Affordable Housing Unit, Queensland Department of Housing.

Mr Peter Matwijiw, Manager, Office of Senior Victorians, Department for Victorian Communities.

Ms Tina Merry, Acting Director, Community Housing Coalition of Western Australia.

Mr Brendan Moran, General Manager, South Australian Community Housing Authority.

Mr Jeff Mould, Manager, Community Housing, Department of Housing and Works, Western Australia.

Mr Tom Mulholland, Senior Demographer, Department of Planning and Infrastructure, Western Australia.

Mr Joe Nolan, Affordable Housing Innovations Unit, South Australian Housing Trust.

Ms Jocelyn Oatley, Principal Policy Officer, Product Strategy and Development, Department of Housing, New South Wales.

Ms Jodie Paterson, Principal Policy Officer, Strategic Policy Directorate, Queensland Department of Communities.

Ms Carmel Pellegrino, Manager, Public Housing Strategy, Office of Housing, Department of Human Services, Victoria.

Mr Lynden Pennicott, Project Manager, Affordable Housing Strategy, Housing Tasmania.

Ms Astrid Reynolds, Manager, Strategy and Research, Office of Housing, Department of Human Services, Victoria.

Ms Pamela Rutledge, Executive Director, Office for Ageing, Department of Ageing, Disability & Home Care, New South Wales.

Ms Tarja Saastamoinen, Section Manager, Housing Policy and Assistance, Housing Support Branch, Department of Family and Community Services, Australian Government.

Mr Paul Sadler, Chief Executive Officer, Aged and Community Services Association of NSW & ACT.

Ms Maureen Sheehan, Director, Housing ACT, Department of Disability, Housing and Community Services, ACT.

Ms Lindsay Simmons, Manager, Policy Development, COTA National Seniors, South Australia.

Ms Joan Stone, President, South Australian Retirement Villages Residents Association.

Ms Catherine Stuart, Principal Policy Officer, Client Service Strategy, Department of Housing, New South Wales.

Dr Graeme Suckling, Manager, Council on the Ageing, Northern Territory.

Ms Jane White, Policy Officer, Office for Senior Interests and Volunteering, Department for Community Development, Western Australia.

Ms Ellen Wood, Section Manager, Homeless Policy and Assistance, Department of Family and Community Services, Australian Government.

Mr Robin Wood, State Manager Rental Services, Department of Housing and Works, Western Australia.

APPENDIX 4: THE MARKET SECTOR STUDY – LIST OF INTERVIEWEES

Interviews were conducted during 2004 with senior representatives of the following organisations:

- Kinsmen Limited Group., a developer and project manager of retirement villages based in Brisbane.
- Queensland Department of Housing.
- Redlands Shire Council, a Queensland local government authority with extensive experience of retirement village development.
- Springfield Land Corporation, developer of one of Australia's largest master planned communities South-West of Brisbane.
- Sunnycove Ltd., a provider of assisted living rental retirement villages and other rental accommodation for older people based in South-East Queensland.
- Village Life Ltd., provider of rental retirement villages based in Brisbane.
- Colliers International, property valuers of retirement villages, Sydney.
- Napier Blakely, consultants on the tax analysis of retirement villages, Sydney.
- KPMG, accounting expertise on taxation issues associated with retirement villages.
- Atkinson & Vinden, legal expertise on retirement villages, Sydney.
- Property Council of Australia, Peak property body, Sydney.
- Urban Development Institute of Australia, Peak property body, Sydney.
- Baulderstone Hornibrook, major developer and facilities manager, Sydney.
- Thiess Pty Ltd., major developer and facilities manager, Sydney.
- Manchester Unity, major retirement village developer, owner and manager, Sydney.
- Westpac Institutional Bank, major potential investor in older persons' affordable housing.
- Bankwest, major potential investor in older persons' affordable housing.
- Macquarie Bank, major potential investor in older persons' affordable housing.
- Landcom, State government-owned masterplanner, facilitator and developer of sustainable communities in NSW.
- Bovis Lend Lease, major developer and facilities manager, Sydney.
- ACT Housing, public housing authority in the Australian Capital Territory.
- Bank of Adelaide, major potential investor in older persons' affordable housing.
- South Australian Housing Trust, public housing authority in South Australia.
- Elderly Citizens Homes, Provider of rental housing for older people in South Australia.
- CSSP, software consultants for financial management of built assets, Adelaide.
- Rothschild Fund Managers, potential investor in older persons' affordable housing.

- Mr Michael Regan, advisor to various State Governments on infrastructure funding.
- Richard Ellis Pty Ltd, property valuers of retirement villages.
- Office of Housing, Department of Human Services, Victoria.
- Capitaland, major developer and investor, Singapore.

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