



Aged & Community
Services • Australia



ACCOMMODATING AGEING

HOUSING AND THE AGED & COMMUNITY CARE INDUSTRY

ACSA DIRECTIONS PAPER

September 2007

Introduction

Housing is a major factor in the quality of life and the economic and social well being of all Australians. Safe and secure housing is a particularly important requirement for older people. Home is a familiar place, in a familiar location where older people know others and feel in control of their lives. High rates of home ownership are considered as essential to underpin the Australian social security system and the Government's policy of self-funded retirement. Similarly the Australian Government's policy of "ageing in place", which encourages older people to remain living independently in their own homes, is dependent upon the appropriateness of the housing arrangements. With the ageing of the population, the baby boomers reaching retirement age, demographic shifts in the pattern of home ownership and the decline in home affordability, the housing environment is changing.

The aim of this paper is to provide a framework to assist ACSA to formulate its agenda in this important area – to determine what ACSA can usefully and realistically do, either alone or in partnership, to meet the goal of older people and carers living optimally in the home and community of their choice.

This paper is now being released publicly to explain to members the rationale and new directions ACSA is taking based on the connection between housing, ageing and care.

Why is ACSA Interested in Housing Policy?

Aged and Community Services Australia (ACSA) is the leading national peak body for aged and community care providers and represents around 1,200 church, charitable and community-based organisations providing housing and supported accommodation, residential and community care services to over 700,000 older people, younger people with a disability and their carers.

ACSA members make up about two-thirds of Australia's rapidly growing \$7 billion aged and community care industry. They provide 50,000 retirement village units across Australia, making ACSA the largest industry body representing the retirement village sector.

On a given night ACSA Federation members provide accommodation to over 130,000 older people in residential aged care and retirement living units. Similarly, ACSA members provide services in the homes of at least 460,000 older people and people with a disability, throughout Australia.¹

While Federation members are significant providers of housing, the sector has traditionally focused on the care elements of its service provision. The sector is regularly described as a cottage industry that is in the process of transition with consolidation of providers and growth in service provision due to increased demand. The majority of providers of residential care only operate one (65%) or two (19%) residential facilities. Only 2.9% operate over 10 facilities.² Over 60% of ACSA's members operate a mix of services including residential care, community care and retirement or independent living units.

This industry profile means that providers are often and necessarily concerned with issues of the day – viability, occupancy and the like. They may not have the time or resources to consider the issues more broadly, such as the industry's current and future role in housing.

¹ ACSA Membership Statistics, 2006-07.

² Professor Warren Hogan, *Review of Pricing Arrangements in Residential Aged Care – The Context of the Review, Background Paper No 1*. This data is from 2003.

As the industry continues to tailor its services to meet the needs of older Australians, the range and number of housing options and choices will become even more integral to our service planning and delivery. Consequently ACSA members have an acute interest in accommodation and the policy settings that concern:

- The development of sufficient housing that is affordable, accessible and adaptable;
- The creation of flexible planning arrangements that stimulate appropriate and innovative housing models; and
- Financing systems for older people's housing including capital funding for residential aged care.

ACSA has been actively involved in lobbying for an improved system to fund the capital requirements of residential care by increasing and introducing flexibility into accommodation charges. While this work is critical it is not canvassed in this paper as it requires a significant amount of work in its own right.³

In recognition of the changing environment, demographics and consumer expectations in which aged care is provided ACSA has broadened its focus to include housing and has produced two housing papers. The first was a literature review on affordable housing for older people in 2004. This paper scoped the key issues around affordable housing and made some preliminary suggestions about the future work for ACSA and the industry. In 2005 ACSA released *Towards Barrier Free Housing for an Ageing Population: Accessible, Adaptable and Universal Design* which was drafted as a resource for aged care providers to assist them to make informed choices about design issues and to promote the principles of such design.⁴

This is the third in the series of papers and it aims to pull together housing policy considerations that impact on residential, retirement and community care. The issues explored in the previous papers will not be revisited here in any detail. This paper will provide a framework for setting ACSA's agenda for action into the future and should provide aged care providers with some ideas for further exploration.

In 2004 an important conference was convened by the Australian Housing and Urban Research Institute (AHURI) and The Myer Foundation, *Housing Futures in an Ageing Australia*, where a range of researchers, policy makers and housing workers came together and contributed to the Foundation's Project, *2020: A Vision for Aged Care in Australia*. This document draws heavily on the papers presented at that conference and the ongoing valuable research of AHURI.

Housing Tenure of the Ageing Population

The current housing arrangements of Australians and the future housing intentions of mid and later life Australians will impact on the design and delivery of aged care services. Some facts worth noting are:

- By 2021, an estimated 18% of the population will be aged 65 years and over;
- Close to four in every ten households will be occupied by at least one older person, the majority living alone or in a couple;
- The level of home ownership in Australia has increased only marginally over the last twenty years with about 73% of the population achieving home ownership by age 65. Another 6% are purchasers close to ownership;

³ See the ACSA Lobbying Kit for details of ACSA's position on capital, available at www.agedcare.org.au.

⁴ ACSA, "Towards Barrier Free Housing for an Ageing Australia – Accessible, Adaptable and Universal Design: An Issues Paper and Resource Guide", 2005. ACSA, "Affordable Housing for Older People – A Literature Review", 2004. Both papers are available at www.agedcare.org.au.

- Another 12% enter old age as renters (approximately 300,000 people). This proportion has changed little over the last two decades but the share of those renting in the public sector has declined slightly while the share in the private sector has increased;
- While the proportion of older households renting privately (6.5%) is substantially lower than in other age groups, this constitutes over 100,000 older households at risk of financial stress due to the cost of rent;⁵
- A further 8% are in other tenures in private households, such as living with families; and
- The proportion of older people living in residential aged care has declined by 25% over the past 20 years and has become more concentrated in the oldest age groups.

Baby Boomers and Retirement

The baby boomers can expect to live longer and healthier lives than previous generations and their housing needs are likely to change from retirement to the end of their extended lives. Population ageing is one of the main drivers of the increased number of smaller households. More young-old retirees will be seeking housing suited to their lifestyle. While some will retire to holiday locations the majority will “age in place.” Baby boomers are used to changing their residences – more so than previous generations. So “ageing in place” is more likely to refer to the same location, close to family and friends and recreational activities rather than remaining in the family home.

There is a popular myth that baby boomers will come into retirement wealthy and they will be able to finance their care into old age. While they are wealthier than previous generations they are low saving, and their wealth has been made by and is tied up in their family home. The average superannuation of baby boomers in 2004 was:

- Men \$87,100 (median \$30,700)
- Women \$35,000 (median \$8,000)

Early retirees also have low incomes as they move into old age. Therefore superannuation is unlikely to make a significant contribution and the primary source of retirement income will be the Aged Pension.⁶ The Federal Treasurer, Peter Costello identified this as an issue in 2004:

“As our retirement income system matures, is it fair to allow those with superannuation assets to retire early, run down their assets and then rely on taxpayers to fund the major part of their retirement? This is an important issue that we will need to consider very carefully.”⁷

Baby boomers are likely to have an expectation and reality mismatch – they will expect a champagne lifestyle on a beer budget.

There will be an increasing number of very old frail people living on their own and these people, mainly women, are likely to need housing that incorporates some form of support for some period. The diminishing supply of family carers will exacerbate this need.

⁵ Brotherhood of St Laurence, “Disadvantage and Older People”, Background Paper, April 2007.

⁶ Dr Simon Kelly, “Modelling the Expected Income Streams”, Conference Paper presented at the Australian Association of Gerontology (AAG) 39th Conference.

⁷ Peter Costello cited in Ann Harding, “Population Ageing, Government Budgets and the Baby Boomers”, NATSEM Online Conference Paper, November 2006.

Correct Housing Fit

The evidence suggests that there is a lag in housing adjustment to these social trends and that new housing construction continues to be dominated by family housing and fails to offer the range of choices that are attractive to many older households.⁸

Research and industry experience has long supported the assertion that a correct housing fit can improve the well being, health and quality of life of older people. The correct fit can mean a myriad of different things to different people such as:

- Correct and familiar location, close to family and friends;
- Easy access to essential services such as doctors, recreational activities and public transport;
- Safety and security;
- Appropriate house and garden size; and
- Accessible design with technological supports.

The benefits of a correct fit can also be measured in service utilisation and financial terms. One provider researched the impact the provision of appropriate and supported housing had on their clients. They found that it delayed the entry into residential care by six years on average.⁹

Policy Context

The policy areas that currently shape housing and accommodation options for older Australians are diverse and not necessarily aged specific. However it is important to understand this context and its potential implications for the design and delivery of effective aged care services into the future.

Government Programs

The *Commonwealth State Housing Agreement* (CSHA) was introduced in 1945 following a Government report estimating a shortage of 300,000 dwellings Australia wide. This report considered that direct intervention was required by Government as “private enterprise the world over has not adequately and hygienically been housing the low income group.”¹⁰ The CSHA is mainly concerned with the provision of public housing but also provides funding for other types of tenure as well as including community housing, crisis accommodation and aboriginal rental housing. On average the Commonwealth provides approximately two thirds of the total funding for the CSHA. State Governments are responsible for the delivery of these programs under agreed parameters.

CSHA funding has declined in real and nominal terms since 1991-1992. The 1996 CSHA brought in a series of funding cuts (“efficiency dividends”) and the GST compensation has masked the size of the cuts.¹¹ Consequently the supply of public housing has been diminishing recently and a change in policy concerning waiting lists means that older people are not afforded priority and may have to turn to private rental.

⁸ AHURI, “Housing Futures in an Ageing Australia”, Research & Policy Bulletin, Issue 43, May 2004.

⁹ Rex Leighton, “Ageing in Place – An Organisation’s Experience and Expectations,” AAG Symposium November 2005.

¹⁰ Housing for the Aged Action Group (HAAG), “Public Housing is Still the Answer,” available at www.olderrentants.org.au

¹¹ ACOSS, “Public and Community Housing: A Rescue Package Needed,” Information Paper No 323, available at www.acoss.org.au.

The current CSHA expires in 2008 and it has been argued that it should be replaced by a new National Affordable Housing Agreement which should seek to strengthen investment in affordable housing on a sustained and cost effective basis by Governments at the Commonwealth, State and local levels, institutional and individual investors, and not-for-profit organisations.¹²

Some State Governments have been working with housing associations to develop housing stock or to manage and hold title to some public housing as these associations have greater capacity to borrow funds against existing titles to develop and upgrade. Some commentators suggest that not-for-profit housing associations provide greater opportunities for innovation and flexibility, as well as the capacity to attract funds from a range of sources. However, in Australia at present, such organisations are small and lack the expertise, structures and processes to handle large volumes of affordable housing. Housing associations may offer aged care providers interesting partnership and growth opportunities in the future.

Commonwealth Rent Assistance is paid to renters of all ages in the private sector who receive Commonwealth income support. From the mid 1990s total outlays for Rent Assistance have exceeded those provided through the CSHA.¹³ Rents are currently increasing but as recently as April 2007 the Governor of the Reserve Bank rejected the notion that Australia has a rent crisis. Instead, he argues that investors have been receiving low yields for their investment over the last few years and that rising rents simply reflect a market adjustment. Recent figures suggest that this trend is worsening with rents across Australia rising by 1.6% for the quarter to the end of June 2007 – the fastest growth over a three month period since 1989. Rents have risen a total of 5.2% over the last financial year, well above the inflation rate.¹⁴ Over the last 15 years, the proportion of low-rent homes has fallen by at least 15% and opportunities to rent public housing have fallen by at least 30%.¹⁵ Also there is competition for low rent housing from young people who are saving the deposit to purchase their own home. Rent Assistance is only of limited help to low income older people with the maximum amount of Rent Assistance payable being \$103.20 per fortnight¹⁶ whether the person is renting in Sydney or Moe, when clearly rents vary greatly around Australia. Some have argued that it is a further Government subsidy to investors and artificially inflates rents.

The *Australian Government Residential Aged Care Program* provides funding for care to be provided in high, low and extra care facilities. The accommodation component is generally a user pay system funded by an agreed accommodation bond in low care and a set accommodation charge in high care. Concessional residents are not required to pay and services receive a Government supplement to compensate providers.

From a public policy perspective it is less costly to enable older people to live for as long as possible in appropriate but independent housing, than to subsidise the costs of residential care. However for some older people there comes a time when residential care becomes the most appropriate form of housing.

Independent Living Unit Program

Between 1954 and 1986 the Australian Government provided subsidies under the *Aged Persons' Homes Act* to construct over 30,000 dwellings for older people. Even though the funding for this program ceased 20 years ago there are now around 34,000 Independent Living Units (ILUs) Australia wide that provide 27% of social housing for older people.

¹² For more information on the National Affordable Housing Agreement see the work of Professor Julian Disney.

¹³ Australian Parliamentary Library Paper, "The Commonwealth State Housing Agreement," 2001, available at www.aplh.gov.au.

¹⁴ *The Age* "Tenants Facing Fastest Rent Rises in Years," 26 July 2007.

¹⁵ Julian Disney, "Affordable Housing in Australia," National Forum on Affordable Housing, April 2007.

¹⁶ As at July 2007.

AHURI research found that ILU organisations vary considerably within and between States but most face critical issues in the following areas:

- Matching their housing market to their target group;
- Standards of housing stock;
- Financial viability;
- Management and governance; and
- Linkages with support/community care services.

Often, ILUs are provided by aged care services that also have residential and community care. Cross subsidisation often supports the ILUs or vice versa.¹⁷

AHURI concluded that unless these challenges are addressed – particularly financial viability – the number of ILUs could decrease sharply, with important implications for Federal and State Governments, particularly given the current lack of affordable housing.¹⁸

Planning

Urban planning is primarily the domain of State and local Governments. State Governments determine the broad areas of land use, growth of housing and supporting infrastructure.¹⁹ Westpac has argued that not enough houses and units are being built around Australia. They argue that there is a construction shortfall of 92,000 dwellings as of July 2007.²⁰ The Housing Industry Association has been calling for State Governments to release more land. Even if this occurs it is unlikely to improve the circumstances of older people as the new fringe suburbs tend to provide family accommodation plus they often lack the levels of infrastructure and amenity that older people desire.

Local Governments influence the private housing market through their planning and development controls. Since the early 1980s some local Governments have been taking increasing interest in housing issues with such initiatives as:

- The introduction of developer contributions for affordable housing;
- Rebate policies to assist boarding houses to remain in operation; and
- Joint ventures with community housing providers.

Examples of these initiatives are contained later in this paper.

Policy settings that promote in-fill and medium density in established areas; planning regimes that allow medium and high rise developments for older people in and around activity centres and “high” streets; and flexible regimes that support and encourage creative developments are essential elements in developing the mix of housing that will be required into the future.

The private sector has also developed special housing for older people as part of new developments. More compact housing with low maintenance gardens to multi-generation living in adjoining, self-contained dwellings are scattered through larger developments.

Local Government could play a more strategic, consistent and important role in achieving this mix.

¹⁷ Not all of the 50,000 units operated by Federation members were developed under this Government funding program and were not part of this study.

¹⁸ AHURI, “Australia’s Forgotten Social Housing Sector?” Issue 47, December 2004.

¹⁹ For example, the Victorian Government’s 2030 policy.

²⁰ Matthew Hassan, Westpac Senior Economist, quoted in *The Age*, 26 July 2007.

Home Ownership

Home ownership is still part of the great Australian dream and the policy preference of Government. Governments assist people to enter the housing market through “first home buyer grants” and they exempt the family home from the assets test for the aged pension. However housing affordability is at its lowest in 23 years with a typical mortgage repayment being \$3,000 per month according to the Housing Industry Association. Australia has the fourth highest rate of home ownership in the OECD but the second highest debt service ratio.²¹

Some would argue that Government policy supports higher prices through:

- Tax minimisation where negative gearing allows investors a tax deductible loss on the purchase of a rental property; and
- Housing grants where the price of houses at the lower end of the market can be inflated by the availability of the grant.

The Brotherhood of St Laurence has estimated that Governments around Australia pay more than \$25 billion worth of housing assistance and redirecting even 5% of this would allow substantial progress in improving low income housing.²²

With over 70% of older people reaching retirement owning their own homes, significant equity is held by this group that can be redirected to more suitable options if the conditions are right. Many people will also be looking at their home to provide retirement income as well as downscaled housing so affordable options are even more relevant to the equity rich, income poor group. Incentives for older people to make appropriate housing adjustments may be wise housing policy such as stamp duty rebates.

Retirement Villages

Retirement Villages, and mixed housing models, come under State consumer and planning legislation but otherwise remain largely outside policy considerations. Retirement villages are the main avenue through which older people convert their existing housing assets into purpose built accommodation. AHURI reports that they are now home to over 150,000 older people and they have become a distinct segment in the housing market. Steady growth of villages has seen an increased diversity of built forms and levels of support services, a wider geographic spread and price range, and varying financing arrangements in response to demand. Also, those moving into villages release family housing into the general market.²³

Accessible, Adaptable Housing and Universal Design

Universal design is an important factor in keeping people living in the community and can prevent premature admission to residential care. While the private sector is starting to understand the growing market for accessible housing, at this stage developers are not obliged to make their projects more accessible. Many positive features can be constructed at no additional cost. Other features can be designed in for only 0.5 – 1% extra on the construction cost. This contrasts sharply with the additional costs of a retrofit which can be \$15,000 to \$40,000 to change bathrooms and kitchens and more if lifts are required.

²¹ ACOSS, “A Fair Go for All Australians,” 2007.

²² Tony Nicholson, Opinion Piece, *The Age*, 18 May 2007.

²³ AHURI, “Housing Futures in an Ageing Australia”, Research & Policy Bulletin, Issue 43, May 2004, p.5.

Leaving the take up of these improvements as voluntary may be an enormous loss of opportunity. The Australian Building Codes Board has a working group looking at general standards for adaptable housing but changes are some time off.²⁴

Affordability

The increasing problem of housing affordability has been noted on a number of occasions through this paper and has recently emerged as an election issue for the 2007 Federal election. The commonly accepted benchmark of affordability is not paying more than 30% of weekly income on housing related costs. First home buyers are now paying, on average, 30.7% of their income on housing costs while that figure was 17.9% in 1996.²⁵ While first home buyers are generally not older people, concerns around affordability for our industry should not be limited to older people. It is also critical that key workers, such as those in aged and community care services, can afford to live within reasonable proximity to their work and are not saddled with ever increasing commuting costs.

A sobering summary of the past decade or so shows:

- Average house prices relative to income have almost doubled;
- The proportion of first homebuyers has fallen by about 20%;
- Average monthly payments on new loans have risen by about 50% (\$500);
- At least three quarter of a million lower income households now have housing costs above the 30% of income benchmark, the majority being renters; and
- Opportunities to rent public housing have fallen by at least 30%.²⁶

Julian Disney argues that the severe shortage of affordable housing is not just cyclical and is worse than in many other developed countries: “It is likely to be increased by further interest rate rises. Failure to reduce it would badly damage long-term economic development and competitiveness, urban development and transport, fertility rates and family cohesion, retirement security and intergenerational equity, and the economic and social strength of local communities.”²⁷ Affordable housing is fundamental to ageing successfully at home but the provision of affordable housing for older people remains fraught due to the lack of funding availability and the cost of building.

The cost of renting is rising and such increased costs have significantly greater impact on the fixed incomes of older people. Households aged 65 and over who are renting privately spend on average 33% of their income on housing which is a higher average proportion of their income than any other age group in any form of housing.²⁸ Public housing is not the answer with Australia’s supply of social rented housing the fourth lowest in the OECD: that is, housing where costs are partially supported by Governments and made available to people on low incomes.

The ALP recently held a National Affordable Housing Summit to explore ideas and they have now announced a proposal to establish a New Housing Affordability Fund of up to \$500 million to save new homebuyers infrastructure costs. The Liberal party is flagging that future public housing might be developed by private enterprise (as it is in many States).

²⁴ Department of Infrastructure, Planning & Natural Resources, “Review of Housing Strategy for Older People and People with a Disability,” February 2004. For more information on Accessible, Adaptable and Universal Design see above, footnote 4.

²⁵ *The Australian*, Editorial, 3 July 2007.

²⁶ National Affordable Housing Forum, “A National Approach to a National Problem,” July 2006.

²⁷ Julian Disney, AHURI Conference Paper, April 2007.

²⁸ Brotherhood of St Laurence, “Disadvantage and Older People,” Background Paper, April 2007.

Sustainable Development

A new consideration for housing policy makers, planners and providers is ensuring that housing is designed and operated in an environmentally responsible way. While unreasonable additional costs have often been used as a reason to reject sustainable development, experts in the field argue that sustainability is cost effective and smart business practice.²⁹ The benefits can be considerable including:

- Improved profit, comfort and internal environmental quality;
- Reduced running costs, maintenance and greenhouse emissions; and
- A clear market differential.

This is an area where ACSA can play an important role in educating members.

Assistive Technology

The potential of technology has been recognised worldwide. In the UK, Preventative Technology Grants are provided to local areas to enable more efficient and effective ways of meeting the changing needs of an ageing population. The Grants focus on the provision of telecare services – providing equipment that is tailored to support an individual’s needs. Equipment may be quite simple – such as a personal alarm service – or more advanced motion or falls detectors and telemedicine. These grants benefit individuals and the service system by enabling more people to stay at home with greater independence and by reducing the need for more costly residential care, community nursing services and hospital admissions.³⁰

As part of the “Securing the Future Package” the Australian Government has announced an assistive technology grants scheme. Detail is not available as yet but it demonstrates that the Government also recognises that there is great potential benefit to individuals, carers, service providers and the public purse. ACSA is involved with the Department in exploring the potential directions for this initiative.

The aged care industry needs to harness the advances in technology to further support older people in the housing of their choice and the staff that assist them.

Special Needs Groups

There are a range of specialist initiatives to meet the housing needs of groups such as indigenous communities, the financially disadvantaged and the homeless. The exploration of these is beyond the scope of this paper. However it is clear that without secure and affordable housing it is difficult to provide frail older people with the care and support they require to continue to live independently.

One program that is well regarded by members is the Assistance with Care and Housing for the Aged (ACHA) program which was introduced by the Australian Government to trial approaches to assist older people who are renting or who are homeless to meet their accommodation and support needs.

ACSA has consistently argued for the retention and expansion of ACHA and the Government has recently announced a continuation of ACHA following its success in enabling people to continue living in the community following ACHA intervention. ACSA believes that ACHA should be expanded further to cover all regions. Changes are also required to the funding levels and administrative arrangements.

²⁹ John Brodie, VIM Consulting, ITAC Conference Presentation, July 2007.

³⁰ ACSA Budget Submission 2007-2008, available at www.agedcare.org.au.

Housing Financing

In Australia there are very few institutional investors committing funds to developing affordable, appropriate accommodation for an ageing population. This is primarily because the yield it provides is too low to meet their charter. Superannuation funds have billions of dollars to invest on behalf of their members to produce retirement incomes and some form of social dividend or tax packaging should be explored to expand the accessible and affordable housing pool. Attracting just 0.1% of these assets would provide over \$2 billion of investment in affordable housing. However private equity tends to invest in the luxury resort or top end of the market though some developers have expressed doubts about the size of this market and have stated an intention to look at lower cost developments.

New financial products such as reverse mortgages need to be further developed and evaluated.

Summary

The broad policy analysis above highlights the plethora of policy initiatives that exist across the three levels of Government. Speakers at the 2004 *Housing Futures in an Ageing Australia* conference argued that the current fragmented approach and narrow range of policy measures are already failing to meet the changing housing needs of older Australians, particularly those on low incomes. They suggested that although high rates of home ownership are likely to continue in the near future, the market and current policy settings are not always enabling older home owners to make their preferred housing adjustment.³¹ “There is no evidence of policy makers viewing the housing system from the perspective of the needs of an increasingly diverse and numerous group of older Australians, or of moves to develop a policy with clear strategic objectives for housing older Australians.”³²

The coalition of 5 peak organisations that held the National Affordable Housing Summit in 2004 has recently released *A Call for Action*. They vigorously argue for a national response including a stronger commitment at the Commonwealth and State levels and much greater co-operation between the three levels of Government. They call for:

- A national affordable housing goal; and
- A new national affordable housing agreement to replace the CSHA due to expire in 2008. Key elements of this approach involve:
 - Stronger and better directed funding for public and non-profit housing;
 - A new incentive for private investment in low rent housing;
 - Expansion of the capability and contribution of the non-profit housing sector; and
 - Better provision of residential infrastructure in high growth areas.³³

Master Builders Australia also support the call for national policy development on housing affordability and have put forward a range of strategies, particularly around planning, that they believe require urgent attention.³⁴

In summary the policy settings that impact on housing are many and complex. While ACSA has an interest in housing it does not have the resources or expertise at this point in time to pursue a complete agenda. ACSA needs to partner with bodies with housing expertise and contribute the information and expertise on the housing needs of older people.

³¹ AHURI, “Housing Futures in an Ageing Australia”, Research & Policy Bulletin, Issue 43, May 2004, p.4.

³² AHURI, “Housing Futures in an Ageing Australia”, Research & Policy Bulletin, Issue 43, May 2004, p.6.

³³ National Affordable Housing Summit, “Improving Housing Affordability: A Call for Action”. The Coalition’s members are ACOSS, HIA, ACTU, National Shelter and Community Housing Federation.

³⁴ Master Builders Australia, Media Release, 29 August 2007.

The key points that flow from this scan of housing issues that should influence ACSA's agenda are:

- The aged and community care industry is an important player and has a legitimate interest in housing issues in relation to older people;
- Current Government policy settings, at all levels, need to focus in a more co-ordinated way on the housing needs of older Australians;
- Financing of affordable housing requires further development through such vehicles as industry/private partnerships; institutional investment; planning controls; and, new "financing" products;
- Correct housing fit (including assistive technologies) can improve the well being, health and quality of life of older people and impact positively on the demand for and cost of care;
- Retirement villages are now a distinct segment of the housing market given their increasing numbers, and their interests need to be supported;
- The future of the 30,000 ILUs developed with Government grants may be under threat. They are an important source of affordable housing for older people and the numbers cannot be lost;
- Sustainable development is not only socially and environmentally responsible – it can also be cost effective;
- Older people are a marketing opportunity for astute developers; and
- Universal design, accessibility and adaptability offer increased potential for older people to age independently in the housing of their choice so relevant changes to the Building Code of Australia are essential.

Innovative Models

The discussion above gives a brief overview of the key policy settings particularly at a national level. However, interesting developments appear to be occurring at individual organisation level but are not necessarily promoted or implemented in any systematic way. These trail blazers provide the industry with pointers to the future and can assist in developing the industry agenda. Some are briefly outlined here for information.

Housing Association, Government and Developer Partnership

Melbourne Affordable Housing (MAH) is a housing association that is currently involved in a project with the State Government and Lend Lease to develop 67 units of affordable housing in a new residential building being built by Lend Lease at Docklands. The total project will build 150-160 units and the majority will be sold by the developer at market rates. MAH has financed their part of this project through a combination of borrowings and Government grants. The loans will be repaid by selling off approximately 17 units over time. Lend Lease purchased the land at a discounted rate and they will sell the units to MAH for a reduced rate. The target group for the units are older people, key workers and Centrelink recipients. This is an example of a creative way of establishing affordable housing that is a win-win for all involved.³⁵

Local Government

Willoughby City, a Sydney metropolitan council, has developed a local housing program which aims to provide housing for special needs groups and to retain the diversity of housing stock in the area. Gentrification is putting the purchase and rental costs in the area beyond the reach of low income people. Council is stipulating that with any rezoning application the developer must allocate 4% of the accountable total floor space for the Willoughby Local Housing Program.

³⁵ John Timmer, Melbourne Affordable Housing, www.mah.com.au.

The council argues that rezoning immediately increases the value of the developers' property so they can afford to pay a social dividend.³⁶ Councils are increasingly looking for social benefits from developments but their application is ad hoc at present.

Apartments for Life

Humanitas has successfully developed the Apartments for Life concept in the Netherlands and it is now being transported to Australia by the Benevolent Society in NSW and Villa Maria in Victoria. The basic philosophy is:

- Rigorous separation between housing and care – the level of care available is not tied to housing;
- De-institutionalisation;
- Mixed occupation: rich and poor, sick and in good health;
- No separation from partner;
- “Use it or lose it” philosophy: too much care is seen as worse than too little; and
- Stimulate independence and self reliance.

In the Netherlands the facilities have been accessible high rise apartment buildings that incorporate a range of inviting general community facilities on the ground floor including a café, a bar, hairdresser, gym and medical centre. In the vast majority of cases the residents generally stay in the apartments until the end. Humanitas believes that hospitals will only be intensive care in the future and other general hospital activity will take place in the home.³⁷

Vertical Villages

A vertical village is designed around the same elements as a usual retirement village but they contain accommodation and communal facilities that rise into the skies. Therefore their footprint is relatively small and this provides much greater flexibility in where they can be located though construction costs may be higher. Many older people want to live close to activity such as shops, public transport, recreational facilities and families and vertical villages are able to be developed in activity hubs. Melbourne Affordable Housing is also exploring the possibility of securing “air rights” over large carparks behind strip shopping centres. The parking spaces can be retained and a medium or high density development can perch above it. This model not only locates older people in desirable areas but the project can reinvigorate a tired shopping strip.

Smart House

Technology can assist older people to live independently in their homes for longer and this has been demonstrated by a Smart House created by Baptist Community Services and Tunstall. The possibilities are ever increasing and only limited by imagination and finances. They include:

- Personal alarms via pendants, pull cords to a Response Centre;
- Video door entry systems that allow the resident to see who is visiting and open the door automatically;
- Bed and chair occupancy sensors that provide an early warning if the resident does not return in a pre-determined time. Lamps can be automatically activated when the resident gets out of bed;
- Medical monitoring, such as pulse and blood pressure can be measured on site and forwarded to appropriate people; and
- Robots will be of increasing assistance around the house.

³⁶ Willoughby City Strategy, July 2005.

³⁷ For further information see www.woonzinnig.nl.

Shared Equity

Shared equity schemes aim to assist low to medium income earners to enter homeownership. Generally the purchaser pays a proportion of the mortgage in line with their income and another source pays the rest and owns the appropriate portion of the property. This could be Government or a financial institution. Most schemes will allow the homebuyer to purchase greater equity from the other partner over time when their financial situation improves.

Homeshare

Homeshare programs are based on the recognition that most people want to live in their own home for as long as possible. The program matches older householders, who are looking for help and companionship around the home, with people of integrity who are able to provide this assistance in return for affordable accommodation. The householder provides a bedroom and shared facilities. In exchange, the companion provides approximately 10 hours per week of practical assistance such as cooking, cleaning and shopping.

ACSA will develop more detailed individual sheets on these and other initiatives of interest that will be available on the ACSA website.

Framework for the Future

Before looking to what our industry should do in relation to housing it is worth revisiting the values and principles that the industry holds dear and how these relate to housing issues. In its Framework document published in 2005 ACSA set out its objective which is to achieve:

“a system of care which enables people who need support, and their carers, to live optimally in the home and community of their choice.”

The principles that are often enunciated in aged care and underpin this objective are just as relevant to the housing context such as:

- *Choice* – Older people and their carers must be in a position to exercise choice concerning their housing type, location and care needs with minimal constraints. Therefore policies must support the development of a diversity of housing options within regions;
- *Independence* – All people need to be masters of their own destiny. Housing and support need to be provided in ways that support, rather than inhibit, independence and self control. This highlights the need for accessible and adaptable housing, and technological assistance that supports independence;
- *Affordability* – All people, no matter what their circumstances, should be able to access the type of accommodation they require within a given region; and
- *Sustainability and Viability* – Housing providers must be able to access sufficient resources to provide appropriate quality accommodation with sufficient certainty to enable future planning.³⁸

³⁸ ACSA, “Aged and Community Services in Australia: A Framework for Our Future,” June 2005.

The Development of ACSA's Agenda

This paper demonstrates that the policy implications of housing an ageing population have yet to be addressed in a concerted way in Australia. It is critical that the aged and community care industry takes a leading role in promoting discussion and policy development while also consolidating its role in the provision of housing.

Within this environment the question is what can ACSA, and the aged and community care industry, usefully and realistically do, either alone or in partnership, to meet our goal of older people and their carers *living optimally in the home and community of their choice*.

Below is a range of actions that flow from the discussion above and that the ACSA National Housing and Retirement Living Committee believes should form part of the industry agenda.

Lobbying

- Provide support and industry information or partner with other relevant, active organisations to lobby Government for measures that will:
 - Promote the development of a comprehensive housing policy across all levels of Government to address the diverse housing needs of an ageing Australia; and
 - Increase the supply of affordable, accessible, adaptable and sustainable housing.
- Lobby the Australian Government directly:
 - To develop and implement a sustainable capital raising system for residential care; and
 - To allocate funding to develop and promote technology that will assist older people to remain successfully in the community and the home of their choice.

Services to Members

- Develop resources to assist members with retirement villages/ILUs/pensioner accommodation such as:
 - Information on a preferred accreditation system; and
 - Management manual;
- Survey members to determine what information and support they want ACSA to provide regarding sustainable development;
- Produce a brief paper for members looking at the potential future roles for members in housing eg rental agencies; and
- Consider the feasibility of organising a Retirement Living Conference building on the success of the Retirement Living Workshop at the National Conference and the AHURI/Myer Foundation conference *Housing Futures in an Ageing Australia* held in 2004.

Housing Financing

- Develop financial models and positions to put to industry and Government concerning retaining and upgrading ILUs;
- Liaise with National Partners and Corporate Supporters regarding developing financing models for members interested in capital/housing development; and

- Convene a roundtable of financial experts (National Partners), superannuation funds (National Partners) and/or superannuation association plus housing academics and selected service providers with a view to developing new models for financing affordable housing for older people.

Promotion of Housing Issues

- Develop case studies of innovative housing initiatives in Australia and overseas; and
- Promote these initiatives through conference presentations, *Agendas* articles and fact sheets.

Maintain Strategic Relationships

- Australian Local Government Association (ALGA) – discuss with the ALGA the best method for informing and influencing local Governments about the need for flexible planning regimes to support the development of a diverse range of housing options;
- AHURI – develop a research agenda in conjunction with AHURI;
- COTA;
- National Affordable Housing Summit – develop a relationship with this coalition; and
- Appropriate urban design bodies.

ACSA would welcome any feedback on this paper and the outlined agenda.