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Paper presented at a Senior Citizens Forum  
"Accommodation policies for elderly people",  
University of New South Wales, 13 March 1984 by  
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"Accommodation after retirement"

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ACCOMMODATION POLICIES FOR ELDERLY PEOPLE

Paper Presented at Senior Citizens Forum

ACCOMMODATION AFTER RETIREMENT

University of New South Wales

13 March 1984

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## Issues

Family, income, health, and housing conditions are the major interlocking pieces in the kaleidoscope of well being of elderly people. Housing and accommodation, the subject of tonight's seminar is concerned not only with physical structures, but also with issues of dependency, functional ability, choice, affordability and access.

Accommodation policies for elderly people in Australia are splattered across an expansive canvas and the major players pop up all over the place with policies and regulations, constraints and limitations, aspirations and hopes. Accommodation policies for elderly people involve activity by all three levels of government, non-government welfare organisations (of whom about 8,000 in Australia are involved with the welfare of elderly people), private entrepreneurs, developers, and professionals, to name a few. At the Commonwealth Government level we have four main departments deeply concerned with accommodation policies for elderly people - Social Security, Health, Housing and Construction and Veterans Affairs. Several others are marginally concerned with these issues. It would be trite of me to list the various roles of the numerous State and local government involvements.

Where and how people live is very important. For elderly people the importance is heightened because if incomes are limited or if mobility is limited more time is spent at

home than at any other time since infancy. Large numbers of elderly people may not leave the house at all during the course of the day, and when they do leave the house, many are out for only short periods. Physical amenity and a comfortable environment therefore are of crucial importance.

Housing is a major expenditure item in most family budgets. Although, on average, elderly households spend a smaller proportion of their incomes on housing costs than do younger families, many still face financial difficulty in this area. Elderly people who are not home owner have the highest incidence and risk of poverty; those who are home owners face council rates and maintenance costs which are often difficult to meet out of fixed and limited incomes. Approximately 12 per cent of an elderly person's income, on average, goes in housing, but elderly private tenants spend a lot more - up to 19 per cent on rent.

Housing however occurs within a matrix of transportation, shopping, recreation, health services, and social and other opportunities, and these are every bit as important as the individual dwelling unit. Successfully housing occurs where these matrix needs are met. It is important to note that this matrix should be part of all housing policy, for if it is, dislocation which may result from an ageing locality will be minimised. Elderly people who move away from a familiar neighbourhood may find the experience most unsettling. This

applies to moves both to residential or institutional environments or to retirement migration moves. Most disoriented of all are those who move into institutional settings where their possessions and mementoes are reduced to what one can fit into a locker.

Most elderly people in Australia live in private residences. 93.6 per cent of people aged 65 and over live in private households, and only 6.4 per cent live in institutions (nursing homes, hostels, homes for the aged, etc). Institutional rates vary by age and sex: 2.1 per cent of men aged 65-74; 2.4 per cent of women 65-74; 8.1 per cent of men 75+; 17.2 per cent of women 75+ live in institutions of various types. Of elderly people in private households, three quarters own or are purchasing their homes. About three fifths of age pensioners in private households own or are purchasing their homes. At all ages home ownership rates are higher for men than for women. However, the majority of elderly people are women. Approximately 20 per cent of elderly female household heads are tenants, whereas approximately 12 per cent of elderly male household heads are tenants.

Comprehensive national data on housing satisfaction are limited but ten years ago a national survey of Aged Persons Housing obtained data on whether single elderly people would like to remain where they were or would like to move. Of those responding, most were happy with their housing and 13 per cent indicated a desire to move.

Some people like where they live, some don't. Some people can comfortably afford their housing, some can't. Some need better access to community services, some don't. Most live in private independent accommodation but around 100,000 live in institutions and a further estimated 150,000 (half as many again) live with younger relatives, usually adult children. Levels of dependency vary with income and mobility limitations and community formal and informal supports. Put all of that against a backdrop of a privatised, individualised, federal system, and accommodation policies border on the incoherent and incomprehensible.

The issues to be addressed then are what types of interventions should take place by governments to ensure appropriate and satisfactory accommodation for elderly people; for whom should intervention take place - independent elderly people, those needing some support, those heavily dependent?; what should the product be?; given that costs will be involved, should buildings be subsidised, should services be subsidised, should people be subsidised? Most elderly people, at any time live in satisfactory and suitable accommodation, yet a substantial number either live in unsatisfactory housing or are highly vulnerable. Because of the high degree of vulnerability, governments cannot ignore the fact that accommodation after retirement has an undeniable place on the policy agenda.

## Targets

When developing post-retirement accommodation policies four target groups are readily identifiable - independent elderly people, elderly people in need of some support, dependent elderly people, and those who provide care for elderly people.

People who have just retired find themselves at home a lot more and find that their social networks may have changed. If income has been reduced their greatest need is for housing that is affordable and which has low maintenance costs. As a target group for policy intervention not much attention is focused here as home ownership rates are very high and in general housing causes no major problem. There is a problem, however, for those who are not home owners and who do not rent from housing commissions. Perhaps the most urgent need among the independent elderly can be found in those renting in the private market. 9.1 per cent of households with elderly heads are private renters. Of elderly people living alone in private households 12.5 per cent, or nearly 50,000 are private tenants. These are among the most vulnerable people, and three quarters of them are women.

Elderly people who need some assistance can be supported to live in their homes often with simple and low-cost aids, minor adaptations to ease physical limitations, and certain basic communications equipment. In addition a balance of support

services, both of a formal and informal nature can be constructed comprising, where appropriate, home help, meals on wheels, home nursing, home cleaning, handywork, gardening, shopping, meal preparation, etc. Sometimes the smallest amounts of these can make all the difference between satisfactory and unsatisfactory accommodation.

When one talks about dependent elderly people there are different types of dependency which must be noted. Those having major physical or mental disability are frequently accommodated in some form of institution. The largest part of accommodation policy for elderly people has been concerned with institutional care. Debates have raged on the desirability of such accommodation, and on whether it is being administered effectively and efficiently.

Many elderly people with chronic conditions do not live in institutions but live at home with limited or non-existent support. Their lives are characterised by lack of choice and a strong case can be made for policy intervention to provide for alternatives. Approximately 150,000 elderly people in Australia live with their adult children. Not all are fully dependent, but a great many are, and their accommodation circumstances are a result of a lack of choice and/or an utter abhorrence of institutional care.



One group often not considered in this issue is that which comprises the families who care for their elderly relatives. In our research in the SWRC we have found that these families are under enormous pressures in providing care and that their accommodation circumstances deteriorate along with their social and emotional state. Few households go through the hassles of making major adaptations, especially if they involve planning regulations, local council, and the building industry - not to mention costs. Our research has found that there are few support services for such families, thus making accommodation very difficult, not only for the elderly person, but for whole families.

The other carers who need to be mentioned as policy targets are those who provide care in a formal sense - the proprietors of nursing homes, hostels and boarding houses. To the extent that the care they provide can be judged, there needs to be regular and adequate surveillance to ensure satisfactory conditions for elderly residents.

### Responses

The response of the Commonwealth government, which last year allocated approximately \$8.5 billion for elderly people has been to provide the greatest financial support for those in institutional accommodation. Almost three quarters of this

expenditure goes in pension payments, but of the remainder, for every dollar the Commonwealth Government spends on services for elderly people at home, it spends approximately 10 dollars for elderly people in institutional care. Yet almost 15 times more elderly people live at home than live in institutions.

Between 1975 and 1983 the response of the Commonwealth Government has been to increase the proportion of funding on support for aged people which goes to nursing homes from 6.7 per cent to 8.7 per cent (from \$160 million to \$740 million). However, expenditure on accommodation other than nursing homes over the same period has fallen from 3 per cent to 1.8 per cent of the total Commonwealth expenditure on aged people (the dollar amounts are \$71 million to \$154 million); this proportion does include some expenditure on other forms of institutional accommodation, such as hostels. Expenditure on self-contained housing, rent relief and homeless persons' accommodation declined from 1.0 per cent to 0.8 per cent of the Commonwealth expenditure on elderly people over the same period.

The Commonwealth however directly or indirectly provides a roof over the heads of approximately 200,000 elderly people at any one time, or 13.7 per cent of those aged 65 or more. 32,205 independent units have been funded under the Aged or Disabled Persons Homes Act; 30,737 under the Commonwealth State Housing Agreement, 70,574 Nursing Home beds have been funded, 34,741 Hostel beds, and a further 30,555 elderly people spent census night in a hospital.

When we consider the various target groups, varying policy responses can be identified. For independent elderly people, for example, the Commonwealth pays supplementary assistance of up to \$10 per week to 208,000 age pensioners who are tenants (14.9% of age pensioners). For home owners, approximately 820,500 or 62 per cent of pensioners receive local government rate rebates at an average annual value of \$62.80. These, together with concessions for water, sewerage and electricity are underwritten by State governments.

For elderly people needing some support, the response is more varied. The Commonwealth provides funding to non-government organisations on a 2:1 basis for self-contained units under the Aged or Disabled Persons Homes Act. 750 units were funded last year, and 32,205 since the program was started in 1954. For those requiring assistance to remain in their own homes \$17.7 million was spent in 1982/83 under the States Grants Home Care Act for home help services; \$4.8 million under the Delivered Meals (Subsidy) Act for 764 services to provide 9.8 million meals and \$16.5 million to Home Nursing Services. These three services are chronically underresourced, and the quality of life of elderly people at home suffers accordingly.

The dependent elderly are the target group of most Commonwealth service expenditure. Nursing Home Benefits, deficit financed Nursing Homes, Personal Care Subsidy and accommodation assistance from the Department of Veteran's Affairs accounted for over \$900 million in 1982/83. The

response clearly is the heaviest here, in the institutional sector which accounts for around 6.4 per cent of Australia's elderly people. Apart from an allocation of \$22.8 million for the Domiciliary Nursing Care Benefit, the response to families caring at home for dependent elderly people is negligible.

### Futures

In some circles the increase in life expectancy which has characterised the twentieth century is seen as a social calamity - but it would be more reasonable to regard it as a major achievement. One implication of greater longevity is that accommodation arrangements must become more flexible and more adaptable. The great proportional growth in the elderly population in the near future will be in the 75+ age bracket, which will comprise almost half of the aged population by the year 2001. This will place great demands on housing and accommodation services both in the private household sector and in the institutional sector, as physical and mental disabilities tend to be concentrated in the "old-old" age group.

Our research indicates that aged people in the future will probably look more towards the formal system of care and less to their families. This does not suggest that the answer lies in more institutional care, but rather in more variety and support in home care, which then makes accommodation more suitable. Responsibility for accommodating elderly and

dependent elderly people can be identified across the spectrum, and the argument changes with different socio-political phases.

The family was seen, at one time, as the sole provider for elderly people but recent times have been characterised by greater involvement of statutory, commercial and voluntary agency provision. We have seen, however, attempts in the recent past to place more responsibility on families. Yet while families play an important emotional role they are generally not equipped to provide for the accommodation needs of elderly relatives.

In some scenarios the private market is seen as the solution, both in the general independent housing field and in the care field. In retirement housing the private market is within the reach only of those who have built up assets over a lifetime. Even then, with entrepreneurs moving quickly into the retirement housing market there may be the need for some organised consumer protection to ensure adequate quality and fair terms. For those not able to buy, or participate in equity schemes, the market usually has little to offer.

Public housing is not to everybody's liking, nor is it appropriate for most. Yet, in view of declining rates of home ownership in the population at large, it may become an increasingly important aspect of housing for elderly people and as such must represent a significant policy option for future accommodation planning.

Assistance with maintenance for home owners is also essential to keep housing operational and satisfactory. If home help is taken to its broadest interpretation, rates of institutionalisation could well decline. Government responses to date have been unbalanced and have emphasised institutional care at the expense of general public housing support and at the expense of home-based support services. There is a great danger that unless clear priorities are established inappropriate housing will considerably diminish the quality of life in Australia's growing elderly population.

One might ask why there should be what might appear to be disproportionate support for housing and accommodation for elderly people? A community which has benefitted from the endeavours of its population cannot in conscience abandon those requiring social care and argue that their needs are not sufficiently legitimate for the allocation of public resources. To date, social welfare provision has not responded well to rapid socio-technical and demographic changes. The community cannot default on its obligations to its citizens.