

HOME FOR GOOD

A POLICY BACKGROUND BRIEF BY THE CENTRE
OF APPLIED POLICY IN POSITIVE AGEING AT
PER CAPITA
FOR THE AUSTRALIAN CENTRE FOR SOCIAL
INNOVATION



About Per Capita

Per Capita is an independent progressive think tank, dedicated to fighting inequality in Australia. We work to build a new vision for Australia based on fairness, shared prosperity, community and social justice.

Our research is rigorous, evidence-based and long-term in its outlook. We consider the national challenges of the next decade rather than the next election cycle. We ask original questions and offer fresh solutions, drawing on new thinking in social science, economics and public policy.

Our audience is the interested public, not just experts and policy makers. We engage all Australians who want to see rigorous thinking and evidence-based analysis applied to the issues facing our country's future.

Centre for Applied Policy in Positive Ageing (CAPPA)

CAPPA is the 'do tank' of Per Capita's think tank. Its establishment was generously funded by the Wicking Trust. As the 'do tank', CAPPA undertakes social innovation projects and applied policy research that focus on finding solutions to emerging issues resulting from Australia's ageing population, aiming to increase the social and economic wellbeing of older Australians. Through this work, CAPPA harnesses ageing as an opportunity for Australian society by catalysing policy innovation.

About TACSI

The Australian Centre for Social Innovation brings people into the heart of shaping their lives and society.

Formed in 2009 as an initiative of the South Australian Government, TACSI is now an independent social enterprise working on projects and initiatives across Australia. Bringing together a unique and diverse team of people from all over the world, the staff at TACSI are all united in their commitment to developing new and better ways to build social and economic prosperity for all.

At the heart of TACSI lies the fundamental belief that people are the experts in their own lives. We believe that the best innovations come from working alongside the people who face the very challenges we're trying to solve.

About the authors

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Emma Dawson is the Executive Director of Per Capita. Formerly, she was a senior advisor on Digital Inclusion at Telstra, Executive Director of the Institute for a Broadband Enabled Society at the University of Melbourne, and a senior policy advisor in the Rudd and Gillard governments.

Emma has published articles and opinion pieces on a wide range of public policy issues, which have appeared in the Sydney Morning Herald, The Age, the Guardian, The Australian, and a number of online publications. She is a regular panellist on The Drum on ABC TV.

Emma holds a BA with First Class Honours from LaTrobe University and an MA with Distinction from Monash. She sits on the board of the Prader-Willi Research Foundation Australia.

Myfan Jordan

Myfan Jordan is the Director of Social Innovation at Per Capita, where she oversees our co-design processes for applied policy development. Myfan spent 25 years studying and working in the UK, focusing mainly on community involvement, social housing, policy and advocacy, until returning to live in Melbourne in 2011.

She is passionate about the meaningful participation of older people and has worked in roles supporting this at Pensioner Action in the UK, Carerlinks and Council on the Ageing (COTA) Victoria.

Myfan has a BA (Hons) in Social Policy from the University of Sussex, and a Masters in Cultural and Media Studies. She has a Diploma in Social Sciences: Crime, Order and Social Control from the Open University. Myfan is an Associate to the Healthy Ageing Research Group at La Trobe University.

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Introduction

What is a home? So much more than mere shelter from the elements, the concept of home encompasses all that provides us with a place in the world: it underpins our identity; our relationships with one another; our understanding of who we are and where we fit in the greater scheme of things.

Yet this fundamental notion of home as something so intrinsic to the human condition is all too often overlooked when it comes to the role of the home in modern society, and to the development of policies that support the provision of housing and the sustenance of life.

This policy brief is intended to restore the idea of home as both a psychological and social asset to our discourse on housing, rather than just a financial asset. It is specifically concerned with the role of the home as we age, positing that successful ageing is dependent on a person's access to a home that provides security, community, safety and autonomy.

Drawing on years of practice by The Australian Centre for Social Innovation (TACSI) and Per Capita's substantial research in the field of positive ageing, we set out to demonstrate that by recognising the role and particular importance of home as people age, we can craft public policy responses that more fully address the needs of all Australians.

This involves applying a multi-focal lens to policymaking: stepping back from the focus on home ownership as a financial asset to take better account of how people relate to the place they call home.

It requires jettisoning some long-held assumptions about the needs and preferences of older people in relation to housing and challenging the economic model that sees our ageing population as a burden.

We must be willing to experiment with new models of home ownership, including cooperative and multi-generational housing, and to rethink how we plan and develop urban and regional communities to provide the social and emotional support that people need as they age.

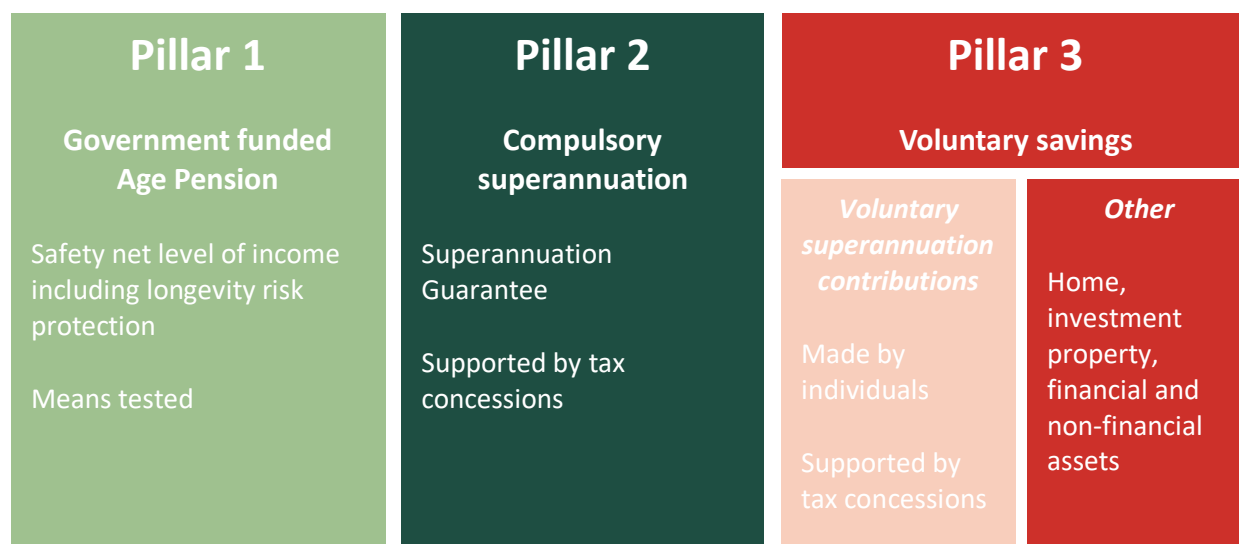
Finally, and most radically, we must recognise that, for growing numbers of Australians, home ownership is unlikely; sometimes even unwanted. As our retirement income system relies on the assumption that the majority of older people will own their homes outright, this demographic poses a fundamental challenge to our thinking about how we ensure all Australians enjoy a secure, dignified and positive older age.

What follows is a policy framework for a national approach to providing older Australians with homes that meet their social, emotional, environmental, and psychological needs.

The policy challenge

The assumption that retired Australians will have minimal housing costs underpins the economic settings of our retirement incomes system. The so called 'three pillars' referenced in the recent Federal Government's Retirement Income Review position the family home as a key part of the third pillar: voluntary savings.¹

FIGURE 1: THE THREE PILLARS OF THE AUSTRALIAN RETIREMENT INCOME SYSTEM



REPRODUCED FROM THE RETIREMENT INCOME REVIEW CONSULTATION PAPER, NOVEMBER 2019

However, contemporary evidence has emerged to challenge this assumption.

Research from the Australian Housing and Urban Research Institute (AHURI) shows the proportion of homeowners aged 55 to 64 years still owing money on their mortgage has more than tripled since the design of our compulsory superannuation system: from 14% in 1990 to 47% in 2015.²

A further report from the ARC Centre of Excellence in Population and Ageing Research shows an increasing number of older Australians living in the private rental sector.³

Australian pensioners who rent their homes have been shown to have the highest poverty rates in the OECD.⁴

The fact is, the soaring cost of land and housing in Australia over the last three decades has effectively destroyed the asset base on which our retirement income system relies. This will have a significant impact on cost of living in retirement; one that will only grow as successive generations take much longer to enter the property market and find they must live with higher levels of housing debt much later in life than previous generations.

¹ <https://treasury.gov.au/consultation/c2019-36292>

² <https://www.ahuri.edu.au/research/final-reports/319>

³ <http://cepar.edu.au/resources-videos/research-briefs/housing-ageing-australia-nest-and-nest-egg>

⁴ <https://thenewdaily.com.au/finance/retirement/2019/11/27/rental-poverty-older-australians/>

However, the implications go far beyond the income and economic security of older Australians.

Work undertaken by TACSI over recent years has revealed a critical link between housing and physical and mental health, impacting significantly on the social connectedness and sense of autonomy which becomes particularly important as people age.

Through their extensive co-design and participatory ‘social innovation’⁵ work with older people, TACSI has established that ‘home’ is much more than a financial asset, a roof over heads. It is the place that gives people stability and control over their lives. A good home can provide us with a sense of belonging to a community which values, needs, and supports us; a place of sanctuary where it feels safe to express ourselves.

In short, home is the critical foundation to living the life people want as they age.

That older people experience home in a social as well as financial relationship was shown in 2019 research from the Centre for Applied Policy in Positive Ageing at Per Capita (CAPPA).⁶ Exploring models of cohousing with older women experiencing disadvantage, CAPPA made the surprising discovery that even those women living in secure housing, including homeowners and tenants of public housing, said they would move from their current accommodation to access a model of (co)housing which offered a social role and sense of belonging to a closely connected community.

This intrinsic link between home and community is something we have lost sight of in the economic narrative that drives policy thinking about housing in Australia.

Moreover, policy makers routinely assume an attachment to the bricks-and-mortar family home with what may in fact be a desire for (age- and ability-appropriate) housing that is socially resonant, networked into one’s community of choice in ways that confer or support a sense of meaning and identity.

That older people are not always wedded to ‘ageing in place’ in the family home challenges traditional assumptions around ageing and how older people relate to housing.

While the family home often holds great value as a place of memories and familiarity, that older people might instead prefer to access – even to create – new and alternative communities reflects the increasing diversity of Australia’s aged population cohort.

Research from AHURI confirms this willingness of older Australians to move away from the known neighbourhood to access ideal housing. AHURI identified a “housing aspiration gap” between the desire of older Australians for homes in small regional towns, and policy settings that prioritise the suburban stereotype.⁷

While the AHURI research doesn’t explore why familiar neighbourhoods may no longer automatically meet the housing needs of older people, we do know that gentrification and increased density in housing have re-modelled much of the suburban landscape. This can leave older Australians vulnerable to social

⁵ <https://apo.org.au/node/27387>

⁶ https://percapita.org.au/wp-content/uploads/2019/09/Mutual-Appreciation_formFINAL.pdf

⁷ <https://www.ahuri.edu.au/research/final-reports/317>

isolation, particularly as families and neighbours move away and the pace and character of community life changes.

Openness to moving house might also be explained by increasing numbers of well-travelled and consumer-savvy baby-boomers retiring and wanting alternatives and increased diversity in housing options.⁸

In this regard, Australia's housing market is largely failing older people. Policymakers take a segmented approach to 'aged' housing, but the preferred model of the retirement or 'lifestyle' village is usually expensive to both enter and to exit.⁹ Not surprising, then, that it is only accommodating 8% of current retirees.

Another common option, that of 'down-sized' units in urban centres, can also fail older buyers, frequently offering unsuitable multi-level form and located in places lacking the neighbourhood amenities older people value.¹⁰

Stamp duties for moving to a new house are another key barrier, effectively incentivising older people to remain in large homes that often become difficult to manage and might better suit a family.

In order to fully understand the role the home plays in providing Australians with a comfortable and dignified retirement, we must go beyond traditional concepts of housing.

We need to develop a bold future vision for retirement housing; one that moves beyond the economic framing of housing to a paradigm which incentivises us to create the connected and vibrant communities that support (older) people to thrive.

This demands we re-think models of home ownership, developing a suite of financial and legal products that support shared equity and co-ownership of housing. We also need to diversify our development models, encouraging a suite of housing choices for older people at all levels of affordability and accessibility, meaningfully responding to aged housing need.

Legislation governing the private rental market must be aligned across jurisdictions and, as significantly more people remain in rental accommodation into older age, we must find ways to significantly increase tenant controls and provide security of tenure.

We must actively design neighbourhoods that encourage social connection, combining privacy with informal networks of social and practical support, companionship, and care.

⁸ <https://www.tandfonline.com/doi/abs/10.1080/19368623.2017.1255162?src=recsys&journalCode=whmm20>

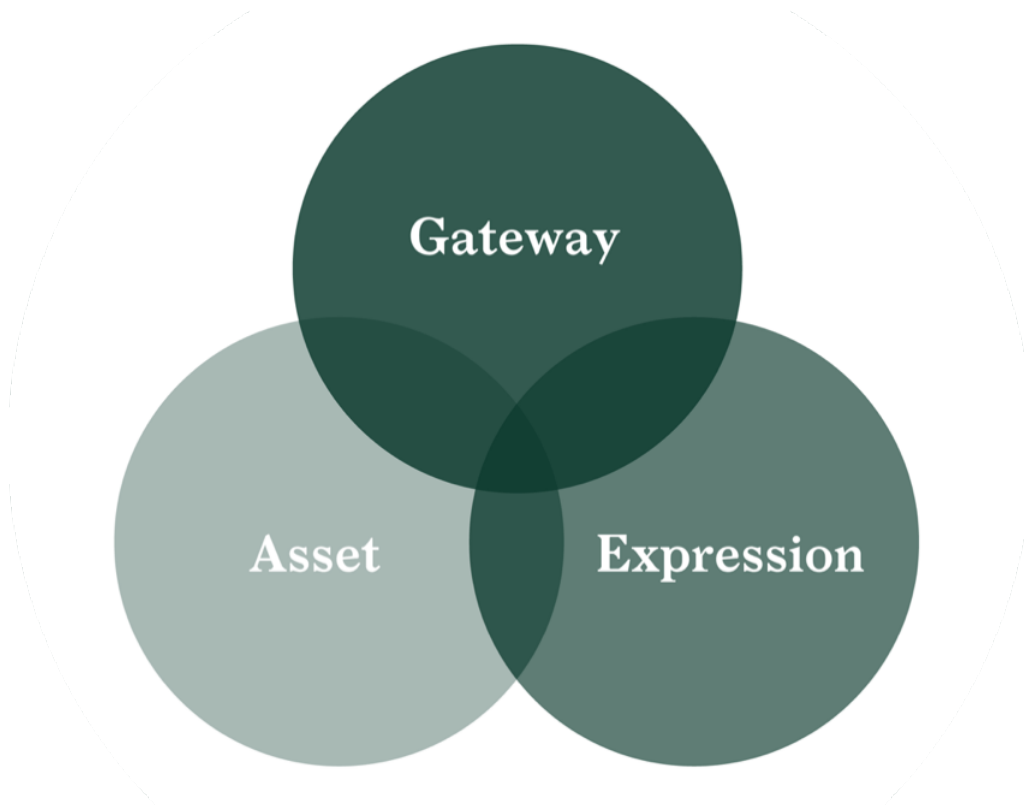
⁹ <https://percapita.org.au/wp-content/uploads/2017/08/Retirement-housing-in-Victoria-2502017.pdf>

¹⁰ <https://theconversation.com/why-older-australians-dont-downsize-and-the-limits-to-what-the-government-can-do-about-it-76931>

The three critical functions of the home

What makes a good home as we age?

THE THREE CRITICAL FUNCTIONS OF THE HOME



Drawing on over five years of social innovation practice, TACSI's Future of Home initiative demonstrates that a good home has three critical functions in people's lives. These are expressed through home as an asset, home as a gateway, and hope as a means of expression.

Asset

Rather than financial equity, the real asset of a home is security of tenure, enabling choice and control of your living circumstances.

Knowing you can wake up in your own home day after day, with control over when and where you move, enables a wider sense of self-determination and self-efficacy – a feeling we're in charge of our own existence.

It prevents us feeling like the needs and decisions of others force us to live in ways not of our choosing. It gives us greater freedom to invest in ourselves and our surroundings.

Having control over the space we live in also enables us to change or to modify our homes in line with our needs as we grow older. Without this control over our space, we may be limited in accessing supports which facilitate living our best life.

Gateway

Home is the access point that connects us to others and to community.

The ability to regulate the flow and quality of relationships through the home is critical to reducing loneliness and isolation.

A good home enables us to 'open the gate' for interaction and support from others. It also enables us to 'shut the gate' when we want time alone, to feel safe in a sanctuary of our own. This 'gateway' function includes the design of our homes and how design can facilitate connection to our neighbourhoods and community.

Expression

Home is where we express and evolve our identity.

Having full control over our space allows us to display who we are and show our personalities – to express who we've been, who we are and who we may become. A good home also enables us to do the activities and pastimes that give us meaning and purpose.

Being able to invest in home and community enables us to form stronger and more congruent identities. Without it, we can feel lost and like we don't belong anywhere.

Policy interventions

By engaging older people directly in our research, both TACSI and CAPPA have determined the following priorities for policy change, each of which will be the subject of an individual policy brief over the coming six months.

Improving the private rental market for older Australians

A rental market that emphasises security of tenure, supports self-determination, and provides physical and financial sustainability.

Social housing for our ageing population

A social housing system that adapts to changing needs of our ageing population and supports people to age in place.

New and alternative models for home ownership

More inclusive, accessible, and sustainable models of home ownership in later life, including models of co-living and care.

Planning communities for wellbeing

Housing and neighbourhoods that are built and designed for liveability, connection, and wellbeing as we age.