

# Creating Age-Friendly Communities

Navigating Australia's ageing population with resilience.



## Australia's population is experiencing an unprecedented demographic shift.

Age-friendly communities have emerged as a powerful response to the numerous challenges that arise from this shift, encompassing the needs of the ageing population, housing supply crisis, health and aged care crisis and climate change. These communities provide an effective and cost-neutral solution, addressing these multifaceted issues simultaneously.

  
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# Driving policy reform for older Australians

Australia's rapidly ageing population creates opportunities as well as challenges. To ensure the urban environment can maximise the benefits our older cohort provides to the economy and society, it is essential to implement policy reforms at all levels to address the persistent issue of inadequate housing choices for Australians 65 years and older.

Age-friendly communities, including retirement villages and land lease communities (LLCs), support vibrant and active ageing, ensuring older Australians can live fulfilling lives while remaining connected to the economy and society.

## Understanding population projections for strategic planning.

In 2021, there were 4,378,086 individuals aged 65 or older in Australia. By 2066, it's estimated that number will reach approximately 8.9 million. Inaccessible housing compounds challenges for older individuals seeking "ageing-in-place" and "healthy ageing".



### Health outcomes

Australians will face approximately 11 years of poor health before death if changes are not made to the status quo.



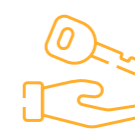
### Risks of unsuitable housing

Unsuitable housing increases the risk of falls, injuries, immobility and premature entry into residential aged care.



### Low proportion of suitable housing

Age-friendly housing options remain scarce, with 2021 ABS data revealing only 5.2% of older Australians lived in retirement villages and 1.7% lived in land lease communities.



### Rental market pressure

Lack of age-friendly housing means older Australians are compelled to rent for longer, forcing younger Australians to compete and putting strain on the overall housing market.



### House prices

Increasing house prices mean older Australians face financial stress and a decline in home ownership.



### Criticisms of planning and regulations

Immediate policy reform is necessary to improve currently obstructive and regressive planning regulations, emphasised by the Productivity Commission and others.



## Unlocking the potential of age-friendly communities.

Well-designed housing within age-friendly communities holds the power to enhance overall happiness, health, well-being and productivity while enabling and prolonging independence and social participation.



### Economic benefits

- Reduced need for government-funded home care services, encouraging downsizing and providing affordable housing.
- Centralised location for government investment in facilities and services.
- Efficient allocation of services to save time and money on transport.
- Decreased pressure on the broader real estate market for growing families and younger Australians.



### Health benefits

- Improved health outcomes result in lower government healthcare spending.
- Appropriate service delivery capabilities for reduced chronic illness and healthcare costs.
- Increased access to preventative services and physical exercise activities.
- Mitigation of chronic illnesses and fall risks through a built environment focused on natural environments, walkability, parks and recreation.
- Greater security for lower stress and anxiety.



### Social benefits

- Increased social interactions through community participation.
- Access to facilities, amenities and social activities.
- Integration of community halls, cafes and dining rooms for social interaction.



## Empowering ageing with purpose and dignity.

Collaboration between all levels of government and industry is needed to ensure a supply of affordable, accessible age-friendly communities across Australia. There is currently a disconnect between the legislation that regulates age-friendly communities and the planning and development frameworks that impact the supply of land and the approval processes.

### Planning

Age-friendly communities such as retirement villages and LLCs do not receive any government funding to build much-needed housing for older people. It is important that legislation does not inhibit the investment required to meet future demand.

**Solution:** Reform of planning frameworks to deliver better outcomes for the housing needs of older Australians through:

- Increasing land availability
- Supporting more commercially viable developments
- Improving alignment with market needs
- Elevating age-friendly communities to state importance in planning schemes.

### Financial Disincentives to Rightsizing

Downsizing can affect age pensioners as surplus funds from the process are considered assets, potentially leading to a reduction in their pension benefits.

**Solution:** Increase the asset free threshold for age pensioners who purchase a cheaper home within 12 months of selling their family home, with a recommended modest increase of \$100,000 - \$200,000.

### Commonwealth Rent Assistance

The application of Commonwealth Rent Assistance (CRA) among older Australians differs between housing types. Retirement village residents on a pension are defined as homeowners if the purchase price exceeds a benchmark, making them ineligible for CRA. Conversely, age pensioners in LLCs qualify for CRA, irrespective of the purchase price of their relocatable dwelling.

**Solution:** Remove incoming purchase price benchmark for retirement village residents with lease or licence agreements or double the current threshold eligibility in line with escalating house prices.

### The Home Equity Access Scheme

Retirement village residency is currently classified as homeownership for CRA but not for the Home Equity Access Scheme meaning many older people are ineligible because they have a lease or licence over the home rather than freehold title.

**Solution:** Accept the arrangement as similar to ownership and allow retirement village residents to access the Home Equity Access Scheme.

### Older women at risk of homelessness

Women over the age of 55 are the fastest growing cohort of homeless Australians. Many led conventional lives, including stable employment, homes and families. Homelessness was not a lifelong struggle rather the result of critical life events such as relationship breakdowns, financial difficulties or health issues.

**Solution:** Create a "Retirement Living Priority Support Service" with a Women's Housing Engagement Officer and a Women's Housing Portal.