



Brotherhood
of St Laurence

Working for an Australia free of poverty

The Brotherhood's Social Barometer

Living the second fifty years

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The Brotherhood's Social Barometer: living the second fifty years

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I Introduction

In the schema of major life transitions developed by the Brotherhood of St Laurence as a focus for research and policy development, retirement and ageing represents the fourth stage of the human journey. Like its predecessors, 'the early years', 'through school to work' and 'the working years', this transition represents a conceptual construct which assists with categorisation for policy purposes.

Each transition assumes an age span which, in the case of retirement and ageing, tends to be open-ended. At what age is one regarded as old or older? Is it from retirement? When is this? How long can a person expect to be old? At what age will life end? With 45% of people in Australia aged 55–64 years not participating in the workforce and superannuation accessible at age 55, is this the beginning of 'ageing'? Is it when one is eligible for the Age Pension—at age 65, or 67 as it will be by 2023? With increasing life expectancy and more people living into their nineties and beyond, the length of this transition is likely to be at least thirty years, rising to forty years and more.

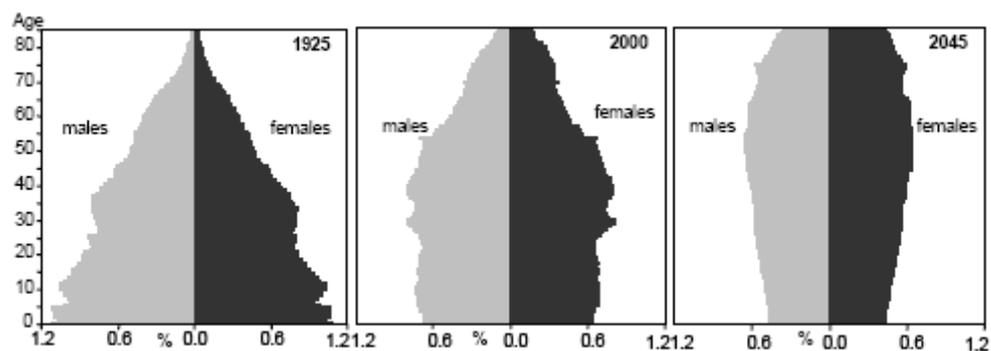
Like many Western industrialised countries, Australia is facing structural population ageing:

The post World War II baby boom, combined with a subsequent fall in fertility rates and an increase in life expectancy as a result of improvements in health technology, has meant that Australia's population distribution is changing. There are proportionally more older people today than in the past, and this is expected to increase further, from 14% today to 25% by 2047 (Tanton et al. 2008, p.1)

This is not just because people are living longer, but also because the fertility rate has fallen. The ageing of the population is not a symptom of the baby boom but its opposite, the long-run decline of fertility in Australia since the 1960s (Productivity Commission 2005, p.xiv). The main effects of the baby boom of 1947–1966 have been to defer population ageing and then to make its onset more pronounced with an accelerating phase from 2000 to 2012 (Productivity Commission 2005, p.xvi).

When we look at disadvantage among older Australians, it is important to be aware just how large and growing that population is. The 2006 Census shows that of a total population of just under 20 million (19,855,288) people, nearly four and a half million were aged 55 years and over (ABS 2009e). Thus in 2006, one in every four people in Australia was aged 55 years and over and one in every 8 people was aged 65 years and over, compared with one in every 25 people in 1901. By 2044–45, almost one in four will be aged 65 and over, and they will number around 7 million. Figure 1.1 shows the changing population structure (Productivity Commission 2005).

Figure 1.1 Changing age structure of the Australian population, 1925–2045



Source: Productivity Commission 2005. © Commonwealth of Australia, reproduced with permission.

In 2005, the share of population in Australia aged 65 years and over was 13% (0.5% below the OECD average); and the share aged 85 years and over was 1.5% (equal to the OECD average). By

2050, according to OECD estimates, Australia's population aged over 65 years will increase to 26% and those aged 85 years and over will increase to 6% (both 0.5% above the OECD averages) (Lafortune et al. 2007).

While longer life expectancy might well be cause for celebration as an indicator of the health of the nation, considerable numbers of older people are not enjoying a healthy ageing experience. Many are suffering disability or poor health, both physical and mental, and eking out an impecunious existence with few assets and a very meagre income.

Who are Australia's older people? A profile

With life expectancy in Australia now at 86.1 years for women and 82.5 years for men and increasing, the span of life considered to be 'older' is a long one and people at 'the younger end of older' are very different from those at the other end. The Commonwealth Statistician has recognised this in referring to three generational cohorts:

- the 'Oldest' generation born 1891–1926
- the 'Lucky' generation born 1926–1946
- the 'Baby Boomers' born 1946–1966 (ABS 2009e).

This disaggregation recognises that older people in Australia cannot be regarded as generationally homogeneous. Indeed there are marked differences between the life experiences, needs and preferences of the oldest and youngest older Australians. For the same reason, *The Brotherhood's Social Barometer: living the second fifty years* reports on three generational subsets of older people, wherever relevant data is available.

The Brotherhood's Social Barometer

The Brotherhood of St Laurence has a long history of working with disadvantaged older Australians. It offers a range of services and conducts research and advocacy with the aim of improving the wellbeing of people in their later years. Examples of the research and advocacy include *Reform of the Australian retirement income system* (Kelly 2009); *Towards a progressive tax system* (BSL 2008b), *Social isolation among older Victorians* (Naufal & Naughtin 2008b unpub.), and *Increasing consumer choice in aged care services* (Laragy & Naughtin 2009).

The Brotherhood is particularly concerned that Australia lacks agreed standards for understanding the extent of social disadvantage. We also see the need for social, environmental and economic policies that respond to the changing Australian and global conditions. As social demographics change, so too do patterns of household formation. We now live in a knowledge-based economy with a more deregulated labour market, where the nature of work has changed and it is difficult to participate without the relevant skills. People's working lives are less linear and involve a lot more changes and shifts in direction. Rather than retiring at the Age Pension ages of 65 for men and 60 for women as was customary in the twentieth century, people often choose to retire much younger or have retirement thrust upon them through lack of relevant skills, ill health, age discrimination in the workplace or closure of industries that are no longer viable in the Australian or global context. On the other hand, increasing numbers of other older Australians are working past Age Pension age. However, it tends to be the most disadvantaged older Australians who do not have the luxury of choice.

To inform policy development by governments at all levels we have established the Brotherhood's Social Barometer. Each Barometer presents snapshots of a key phase in people's life cycle: the early years, the transition from school to work, periods in and out of work and finally, retirement and ageing. *The Brotherhood's Social Barometer: living the second fifty years* is the fourth report in the series, following *The working years* (BSL 2007), *Monitoring children's chances* (Scutella & Smyth 2005) and *Challenges facing Australian youth*, (Boese & Scutella 2006).

The Brotherhood's research has been influenced by international trends in poverty definition and measurement: the social inclusion approach of British and European social policy and Amartya Sen's 'capabilities' framework, originating in the international development literature. Both propose multidimensional measures of disadvantage and, interestingly, they deliver similar social indicators. These approaches, in particular Sen's, have also influenced the Melbourne Institute's work on poverty (Headey 2006) and the Cape York Institute's adaptation of the framework to the very different circumstances of Indigenous people (Cape York Institute for Policy and Leadership 2005). More recently, these measures have been further elaborated by the Melbourne Institute, in *Measuring poverty and social exclusion in Australia: a proposed multidimensional framework for identifying socio-economic disadvantage* (Scutella et al. 2009).

Since publication of the Brotherhood's previous Social Barometers, increasing attention has been paid to social inclusion and exclusion. An examination of social exclusion/inclusion policies in the UK, the EU and Australia indicates that, while there is lack of agreement as to what is meant by social exclusion, most definitions include 'restrictions of access to opportunities and limitations of the capabilities required to capitalise on these, along with reference to the social and economic dimensions of exclusion' (Hayes et al. 2008).

While the capabilities approach continues to create considerable debate in research and policy milieus (see, for example, Burchardt 2008; Carpenter 2009; Dean 2009), the Brotherhood of St Laurence was an early adopter of this orientation valuing its provision of a more multifaceted view of poverty and disadvantage than the single economic lens of orthodox economics. Sen argues that people's quality of life is determined not solely by the material resources they hold, but by their capabilities: what they are able to be and do. Capability is being able to lead a life of wellbeing commensurate with the standards of the society in which one lives. To live a life any less is to be disadvantaged and thereby to become socially excluded.

Sen (1999) outlines three approaches to using the capability perspective in evaluation and policy analysis: the 'direct', the 'supplementary' and the 'indirect'. This Social Barometer follows most closely the second approach, which is described as 'nonradical' and which 'involves continued use of traditional procedures of interpersonal comparisons in income spaces but supplements them by capability considerations' (p.82). It uses supplementation both to focus on some direct comparisons of the functionings themselves as well as on some instrumental variables other than income that are expected to influence the determination of capabilities (Sen 1999).

This is the first Social Barometer to be developed in the context of a Labor government in Australia whose policy platform advocated an explicit social inclusion agenda and an increase in affordable housing and which called for a range of reviews into matters crucial for ageing and retirement. With the advent of the Rudd government's Social Inclusion Agenda in 2008, the capabilities framework seems of particular value, arguing as it does that equality of opportunity is not an end in itself but a means to an end, that is, the power of people to participate in the social life of the community.

The 2008–09 Harmer Review of retirement incomes and the 2008–09 Henry Review of taxes and transfers both have profound implications not only for immediate retirement incomes but also for the motivation and capacity of people to make provision for their future retirement through their years of education and employment.

Eight key dimensions of wellbeing for older Australians

The barometer presents indicators of older people’s capabilities covering eight key dimensions of life (see Table 1.1). The choice of indicators is shaped ultimately by the availability of recent reliable data and by the relative importance of different factors in shaping our opportunities to lead full and rewarding lives.

Table 1.1 Indicators of disadvantage

Dimensions	Indicators of disadvantage		
Employment	Participation and employment	Unemployment/ Under-utilisation	Retirement
Education & training	Education outcomes	Retirement age	Lifelong learning
Economic resources	Income poverty	Asset poverty	Low income–low wealth households
Housing	Housing tenure	Housing stress	Homelessness
Physical health	Physical health outcomes	Disability	Need for care & support
Mental health	Mental health outcomes	Dementia	Need for care & support
Safety	Accommodation safety	Community safety	Other safety risks
Social participation	Social isolation	Access & mobility	Access to technology

The data presented is concentrated at the national level. The possible impact of different state policies (e.g. on concessions) is outside the scope of the Social Barometer. We also acknowledge that aggregation may mask important differences presented by demographic factors such as Indigeneity, disability, ethnicity, socioeconomic status and location (metropolitan, regional and remote). We hope that the model may be of use to more focused exploration in the future.

Structure of this report

The experience of retirement and ageing impacts extensively on personal and community wellbeing. Chapter 2 provides an overview of the retirement and workforce participation outcomes of older Australians, including their contribution of unpaid work to the community.

Retirement and work opportunities and outcomes in later life are strongly influenced by a person’s skills and qualifications. Indicators pointing to older people’s attainment in formal education and training, competence in various literacies and participation in learning are presented in Chapter 3. The indicators presented in Chapter 4 outline a picture of some differences that exist among the older population in regard to accumulation of and access to economic resources. Chapter 5 presents indicators of one of the most basic needs, housing.

People’s capacity to make provision for retirement or to continue to participate in the workforce, and therefore their likely access to economic resources, is also shaped by their physical and mental health. The overall physical and mental health outcomes that can contribute to low levels of wellbeing and high usage of aged and health care services are discussed in Chapters 6 and 7, respectively.

The later chapters in the report, Chapters 8 and 9, look at safety and social participation. They present indicators relevant to quality of life outcomes and community engagement for Australia’s older population.

Finally, the conclusion draws out some implications from the overlapping dimensions of disadvantage documented in the report.

2 Employment

My case manager turned round and said it's useless looking for work ... he said you'd get back dozens of letters saying 'too old', 'too old'. I said, 'Isn't that discrimination?' He said there's nothing you can do about it but I've still got to go put my form in every fortnight, I've still got to look for work, Centrelink still stop your payment if you don't look for work.

(Ziguras, Dufty & Considine 2003, p.17)

Over a long period of sustained economic growth, most working-age Australians had abundant opportunities to improve their employment outcomes. For example, the labour force participation rate among people aged 55–64 rose from 49% in 2001 to 55% in 2006 (ABS 2007d) in an environment where employment growth was so strong that in mid-2007, the unemployment rate was at its lowest level in 32 years. However, not all age cohorts in the Australian population shared the good times.

Workforce participation rates

In 2006, only 30% of Australians aged 55 years and over reported they were participating in the labour force (ABS 2007a). While the labour force participation rate of Australians aged between 55 and 64 years (59%) was above the OECD average (56%) in 2008, it was lower than for countries such as Sweden, the United Kingdom, USA, Canada, Japan, Switzerland and, notably, New Zealand (72%). The participation rate of people in Australia aged 65–69 years was close to the OECD average (22.5%) but lower than for the USA (31%) and New Zealand (33%) (OECD 2009b).

National Seniors Australia has calculated that if all full-time workers aged 55–64 withdrew from the labour force it would cost the Australian economy \$59.6 billion dollars per year. In addition, it is estimated that there is a loss of \$10.8 billion to the Australian economy from not utilising the skills and experience of those older Australians who want work but are not looking for it, and another \$2.1 billion from overlooking unemployed older people who are looking for work (NSA 2009).

- Of the 7.7 million Australians aged over 45 years in 2007, it is estimated that 3.9 million (just over half) were currently employed.
- Workforce participation declines sharply as people age. In 2006, the participation rate for men aged 45–54 years was 88% and for women 74%, compared with 50% and 27% respectively for those aged 60–64 years (ABS 2007a).

Workforce participation rates among older people are rising, though from a very low base. This trend may be disrupted by the global financial downturn.

- Participation rates for men aged 65–69 are expected to rise by around 40% and for women aged 65–69 by 59%, between 2004–05 and 2044–45 (Productivity Commission 2005).

Unemployment

It is difficult to estimate the actual unemployment rates among older people, as people aged 65 years and over who wish to participate in the workforce are neither reflected in unemployment figures compiled monthly by ABS nor eligible for unemployment services. Further, many older Australians aged 55–64 years have given up seeking work. The 2006 Census data show that:

- Fewer people aged 55–64 years were classified as unemployed in 2006 (4%) than a decade ago (8% in 1996). Nevertheless this amounted to nearly 50,000 people
- About 79,000 discouraged job seekers aged 45–64 years had given up looking for work.

Retirement

In 2007, 3.1 million Australians (about two-fifths of the population aged 45 and over) were retired:

- The average age of retirement for people aged 45 years and over was 58 years for men and 47 years for women.
- Some 28% of retired men in 2007 had retired before the age of 55 years, and 60% of retired women (ABS 2009c).

Yet only 2% of those aged over 45 indicated that they planned to retire before they reach 55 years, suggesting that many people have had to retire at an earlier age than they would prefer. Indeed, nearly a quarter planned to work until they are 70 and only a third planned to retire before they are 65 (Clare 2008a).

- Of men going on to the full Age Pension, about 95% are coming off disability or unemployment benefits
- About two-thirds of men going on to a partial Age Pension are coming off another government benefit (Howes 2009).

Age pensioners are not much involved in the paid labour force:

- In 2007–08, only 3% of all age pensioners reported employment earnings, although those who had just become eligible for the Age Pension had an employment rate of around 7%.
- While age pensioners tend to be viewed as a single group, there are differences between the 'young aged' and the 'older aged'. There is a greater incidence of involvement in the paid labour force and higher wealth and income for those aged 65–69 with a consequent lower take up rate of the pension (ABS 2009c)

Returning to work after retiring

The trend towards higher participation rates for older Australians may well be strengthened as people count their superannuation and investment losses from the 2008–09 global downturn and are compelled to continue earning or even return to work from retirement in order to make ends meet and perhaps to boost their accumulated resources for later life. Some retirees experience an unexpected gap between their anticipated and actual retirement incomes:

- Of 126,000 people who were employed in 2007 and had previously retired, 36% of the men and 42% of the women cited financial need as the main reason for returning to work (ABS 2009c).
- Men (36%) were almost twice as likely as women (19%) to return to a less demanding job than their last job before retirement. About 22% of people who returned to work had the same working arrangements as their last job before retiring (ABS 2009c).

Unpaid work

Many older people are engaged in activities which, if wages were paid them, would be classified as employment: caring for older or younger family members or those who are ill or have a disability, and volunteering. As Hill et al. (2008) note, caring may affect paid employment:

 Becoming a carer is often an unplanned life event. It is more likely to occur once a career is well-established but, nevertheless, when it happens, it significantly lowers workforce participation, especially for women (p.31).

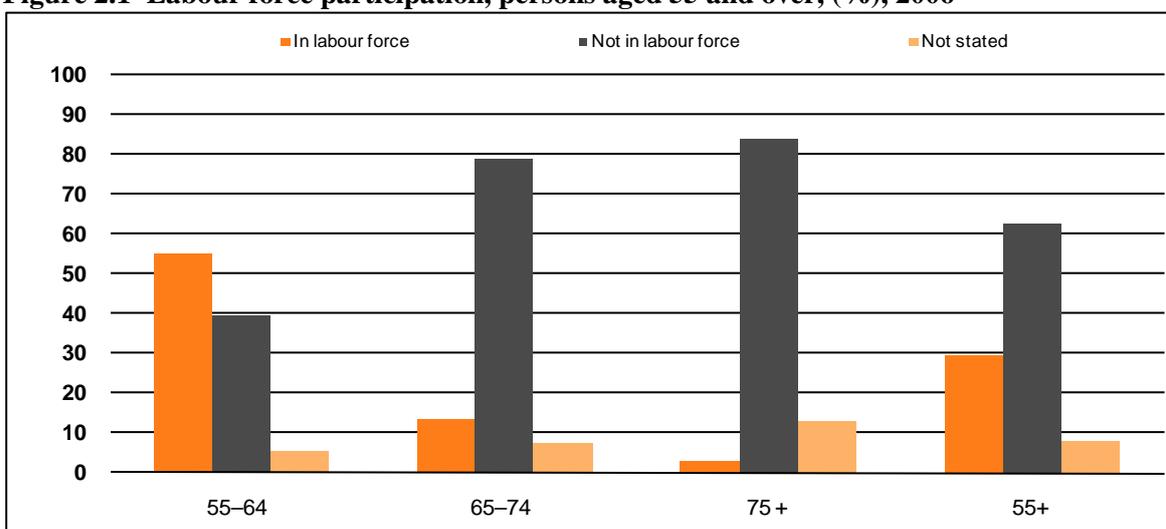
- Of the 239,400 primary carers of persons aged 65 years and over, 113,200 were themselves aged 65 years and over (AIHW 2005).

- More than 56% of women and 40% of men are involved in providing informal care for more than 20 hours per week by age 65 (Hill et al. 2008).
- In 2002 over one-fifth of children below school age in Australia were cared for by their grandparents as part of their regular childcare arrangements (ABS 2002).
- Almost a third of Australians aged 55–74 contribute an annual total of 409 million voluntary hours to the community (NSA 2009).

Workforce participation

In 2006, only 30% of Australians aged 55 years and over reported they were participating in the labour force (see Figure 2.1). The participation rate reduced as people aged, from 55% of people aged 55–64, to 14% aged 65–74 and only 3% aged over 75 years. This pattern is similar for both males and females, but with more males in each age group in the labour force.

Figure 2.1 Labour force participation, persons aged 55 and over, (%), 2006



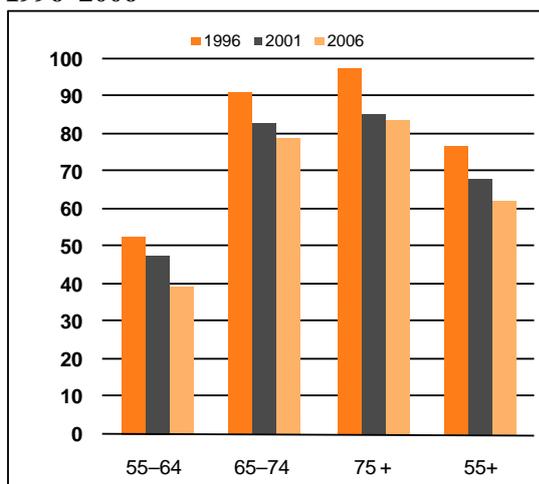
Source: ABS 2007a, 2006 Census of Population and Housing, ABS, Canberra

Workforce participation trends

Between 1996 and 2001 the proportion of older age-groups not in the labour force gradually declined; however well over a third (40%) of Australians aged 55–64 years and well over three-quarters aged 65–74 years were no longer participating in the labour force (see Figure 2.2)¹.

¹ In the 1996 Census, males aged 65 years and over and females aged 60 years and over who did not state their labour force status were coded to 'Not in the labour force'.

Figure 2.2 Labour force participation – not in labour force, persons aged 55 and over, (%), 1996–2006



Source: ABS 2007a, 2006 Census of Population and Housing, ABS, Canberra

While participation of women aged 55–64 rose from 30% to 46%, from 1996 to 2006 (Table 2.1), nevertheless more than half this female cohort were not in the workforce. Over the same period, the participation rate of men aged male 55–64 years rose by only five percentage points to 64%, leaving nearly one-third of males in this cohort outside the workforce.

Table 2.1 Labour force participation, persons aged 55 and over, (%), 1996 and 2006

Age group	Males %		Females %	
	1996	2006	1996	2006
55–64 years	59	64	30	46
65–74 years	12	19	5	9
75 years and over	4	5	1	2
Total	31	37	14	22

Source: ABS 2007a, 2006 Census of Population and Housing, ABS, Canberra

Unemployment and underutilisation

Unemployment

Of the 55% of Australians aged 55–64 years who were participating in the labour force in 2006, 96% were employed and 4% were unemployed (that is, they were looking for work) (Table 2.2). This means that 86,830 Australians of later working age were registered as looking for work.

Table 2.2 Employment status², persons aged 55 and over, (%), 2006

Age group	In labour force		
	Employed %	Unemployed %	Total Number
55–64 years	96	4	1,201,501
65–74 years	98	2	186,996
75 years and over	98	2	35,740
Total	96	4	1,424,237

Source: ABS 2007a, 2006 Census of Population and Housing, ABS, Canberra

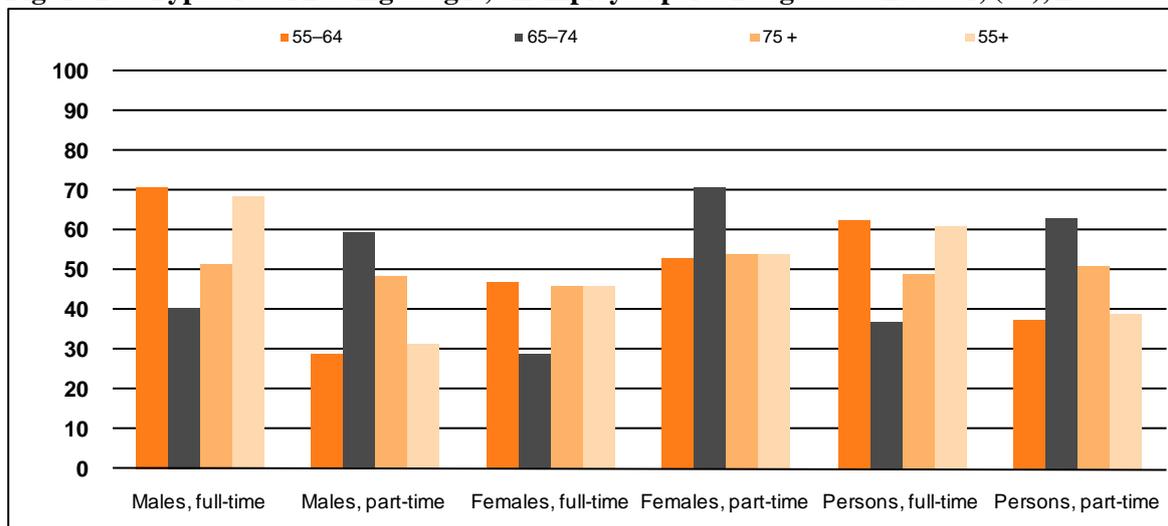
While unemployment rates for males and females did not differ substantially in 2006, the unemployment rate in the 55–64 age group had been consistently been higher for males than for

² In contrast to participation rates, employment status is measured only for those persons in the labour force, not the general population.

females during the previous decade, although the gap had closed steadily. This may be due to more females withdrawing from the workforce and thus not registering as looking for work.

In 2006, most unemployed people aged 55–64 wanted full-time work (63%). However, more unemployed males in this age group (70%) were looking for full-time work than unemployed females (47%). Unemployed people aged 65–74 years were much more likely to be looking for part-time work (60% of men and 72% of women) (see Figure 2.3).

Figure 2.3 Type of work being sought, unemployed persons aged 55 and over, (%), 2006



Source: ABS 2007a, 2006 Census of Population and Housing, ABS, Canberra

Underutilisation

Older workers are often underutilised or feel discouraged from seeking employment:

- Of part-time workers, 17% of both 45–54 year old and 17% 55–64 year old age groups wanted to work more hours (ABS 2007b).
- 39,500 people aged 45–64 years wanted to work and were available to work but did not actively look for work for labour market reasons (ABS 2009d)

These older people represent 54% of a total 73,900 discouraged job seekers. About half of these reported feeling discouraged because they were regarded as too old by employers, 20% because there were no jobs in the locality or in their field of work and 17% because they lacked the necessary schooling, training, skills or experience (ABS 2009d).

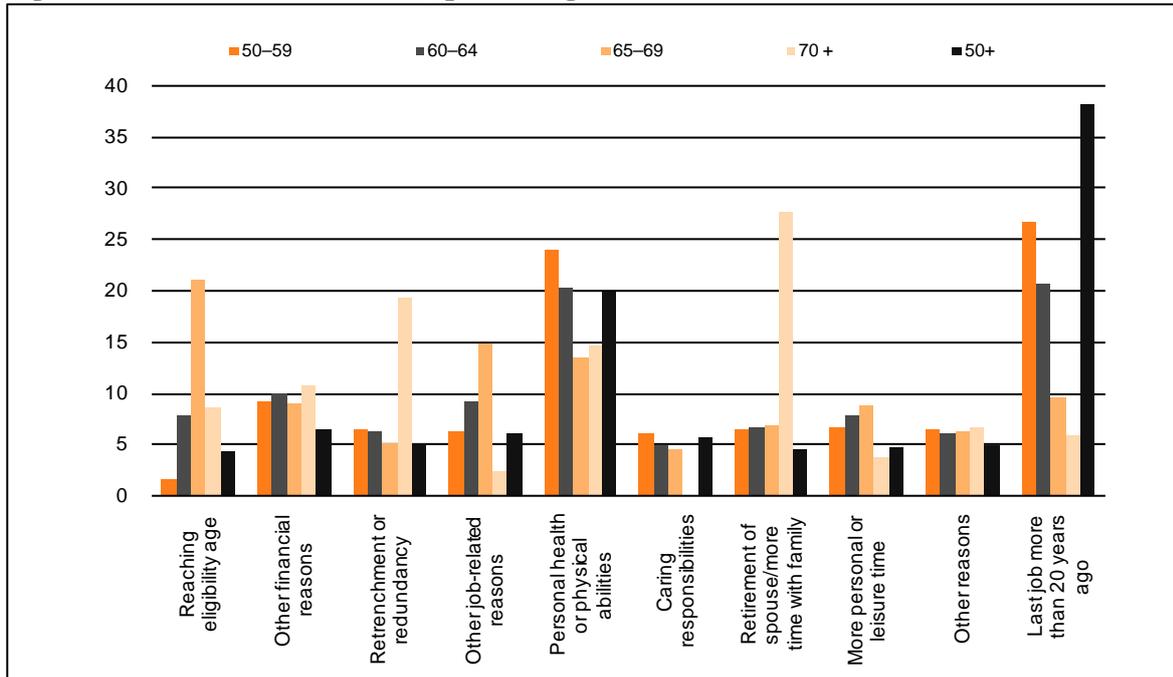
Retirement

Of an estimated 7.7 million people aged 45 years or over, about two-fifths were retired from the labour force. This group comprised 1.3 million men and 1.8 million women. Half of all retired people were aged 70 years and over (54% of retired men and 49% of retired women).

Reasons for retirement

Many people are retiring for reasons other than personal choice. As Figure 2.4 shows, of those aged 55–59 years who had retired from the workforce, the most common reason for retirement was personal health or physical abilities (24%). Among those aged 60–64 the main reasons for retirement was also health, which applied to 20% of them. For the two oldest age groups reaching Age Pension eligibility age, retrenchment or redundancy and a spouse's retirement had more influence on their decision to retire than other factors.

Figure 2.4 Reasons for retirement, persons aged 50 and over, (%), 2007

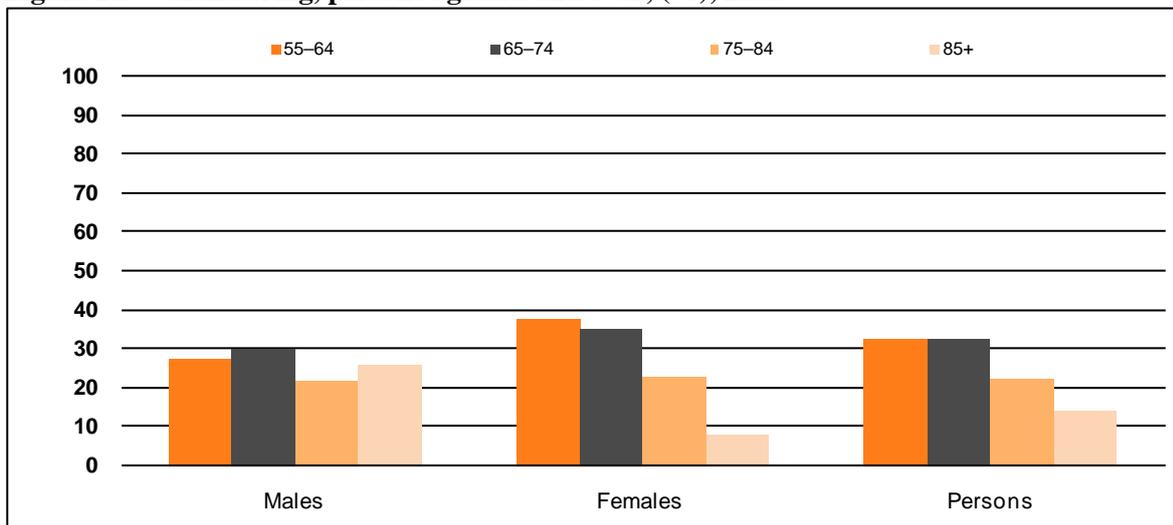


Source ABS 2008, Employment arrangements, retirement and superannuation, Australia, Cat No. 6361.0

Unpaid work – volunteering

Almost a third of Australians aged 55–74 contribute an annual total of 409 million voluntary hours to the community. While the rate of volunteering decreases with age, nevertheless more than 31,000 people aged over 85 continue to contribute voluntary hours (see Figure 2.5).

Figure 2.5 Volunteering, persons aged 55 and over, (%), 2006



Source: Australian Institute of Health and Welfare 2007, Older Australia at a glance, 4th edn

Discussion

Crucial for most of those approaching retirement, paid work is the primary means of providing for that retirement which, for someone leaving the workforce at age 55 years, may stretch to well over 30 years. With such a large proportion of mature age and older people disconnected from the workforce, very often not by choice, there is substantial risk of poverty.

Of course, poverty is not only defined by lack of material resources but also of wellbeing. As *The Brotherhood's Social Barometer: the working years* points out:

Having paid work contributes to a person's sense of identity and self-esteem; and many people define themselves in terms of their work (BSL 2007, p.4).

Many older people meet these identity and self-esteem needs through engagement in voluntary work in the community. Not only does this contribute to individual and community wellbeing, it also has an important economic impact. The 765 million voluntary hours contributed by Australians aged 55+ years amount to the equivalent of over 420,000 full-time jobs. If voluntary hours were paid at the average hourly rate of income, the contribution to the economy would be in excess of \$2 billion per year (National Seniors Australia 2009). However, it is likely that much of this voluntary workforce consists of those who are less disadvantaged. In research for the Joseph Rowntree Foundation, Hirsch (2003) found that that 'people with negative experiences on leaving work, and those with financial difficulties, are less likely to engage in fulfilling activities in their retirement'. Older people who volunteer as carers for family members may experience considerable social isolation and lower wellbeing.

3 Education and training

(When I started) my mind didn't have the understanding—I didn't have the ears to hear, as the saying goes, but after a time ... I found I picked up on it quite well.

I think I am more intelligent now than I was twenty years ago when I first joined the company. (This older worker had joined the company at the age of 48).

My mind has been more open to learning and sucking up stuff basically. And I feel within myself that I am more intellectual than what I was back then.

(Selby Smith, C, Smith, A & Smith, E 2007)

Education and training are investments in human capital, one of the principal influences on Australia's economic growth and prosperity. For older Australians, the skills they have acquired will have affected their chances of getting and retaining a fulfilling and financially rewarding job. The opportunities older people have had for education and training also affect personal wellbeing and have flow-on effects in areas such as physical and mental health, housing, economic resources, social participation and the ability to manage their own lives. It is evident that the education and training experience of older Australians has had a profound impact on their earning capacity and thus the provision they have been able to make for their retirement.

Research has found that people who miss out on formal education in the early phases of life have limited subsequent opportunities to re-engage with formal education, thus significantly limiting their employment opportunities. Attainment of higher education qualifications is associated with many advantages including better employment and pay prospects, better health and longer life expectancy (OECD 2001). Many older Australians have not experienced these advantages.

ABS data shows that older Australians generally have lower levels of post-school qualifications than younger Australians.

- In 2006, 70% of people aged 55 and over had not completed year 12 of secondary schooling and 37% had no post school qualification (ABS 2007a)
- Only 2% of those aged 55–64 years were participating in any formal or non-formal education (AIHW 2007).

However, it is important to note that the Baby Boomers, some of whom are recent retirees and many of whom are making plans to retire, tend to have higher qualifications than the 'Oldest' and 'Lucky' generations³.

Many older people in Australia are also shown to have poorly developed literacy, numeracy and problem solving competence. The ABS Adult Literacy and Life Skills Survey (ABS 2006a) shows that:

- Literacy levels tend to decrease with age.
- About three-quarters of people aged 65–74 years had a literacy skill level lower than Level 3 out of five levels, compared with about two fifths of people aged 45–49 years.
- More than 90% of people aged 65–74 years and over were rated below Level 3 (out of four levels) in regard to problem solving, compared with 66% of those aged 45–49 years.
- 87% of people aged 65–74 years were rated below Level 3 for health literacy, the ability to read and understand health information including instructions for use of medications.

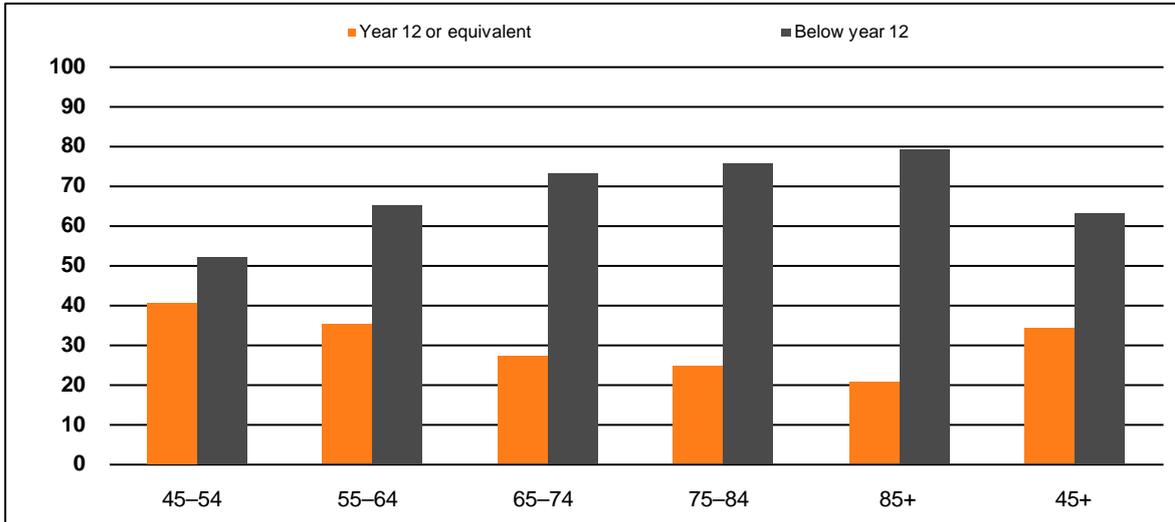
³ Cohorts defined on page 6.

Education outcomes for older Australians

School completion rates

In 2006, 63% of Australians over the age of 45 had not completed Year 12; and the percentage increased steadily for each older age-group (Figure 3.1). While females outnumbered males, the difference was less than 10% in any age group.

Figure 3.1 School completion, persons aged 45 and over, (%), 2006



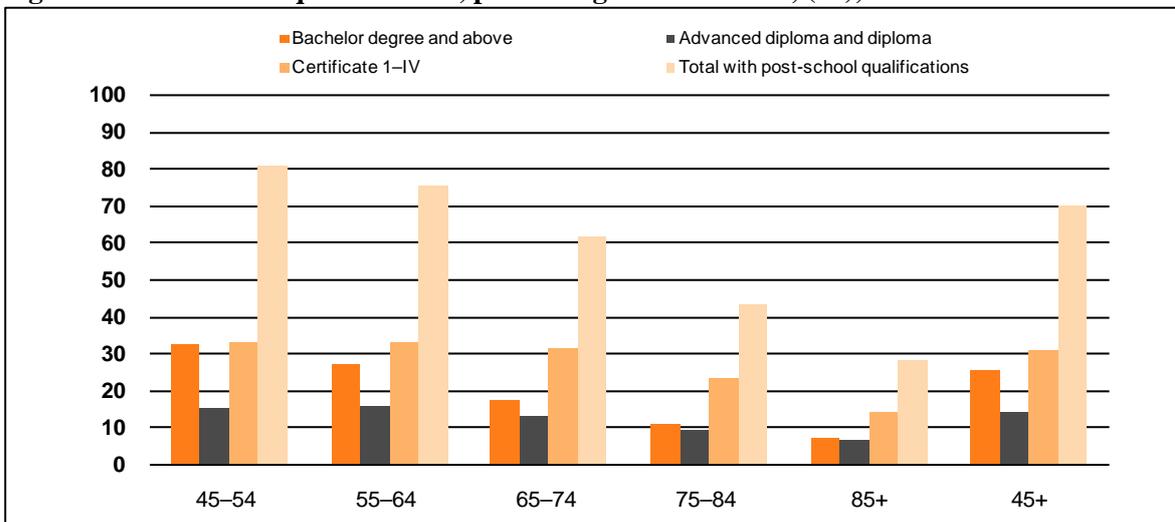
Note: Below year 12 includes 'did not go to school' but excludes 'not stated' or 'inadequately described'
 Source: ABS 2007, 2006 Census of Population and Housing, ABS, Canberra

Post-school qualifications

In 2006, 37% of Australians aged over 55 did not have a post school qualification. Lack of a post-school qualification was higher among those aged 65–74 (nearly 40%) than among those aged 55–64 (nearly 25%) (see Figure 3.2); and post school qualifications in both these age groups had increased since 1996. Among those aged 45–54, only 30% had no recognised qualification.

Overall, more females aged 55–64 years had no post school qualifications (69%) than males (80%). The difference was even more marked in the 65–74 years age group where more than half of all females had no post-school qualification compared with less than one-third of males.

Figure 3.2 Post-school qualifications, persons aged 45 and over, (%), 2006

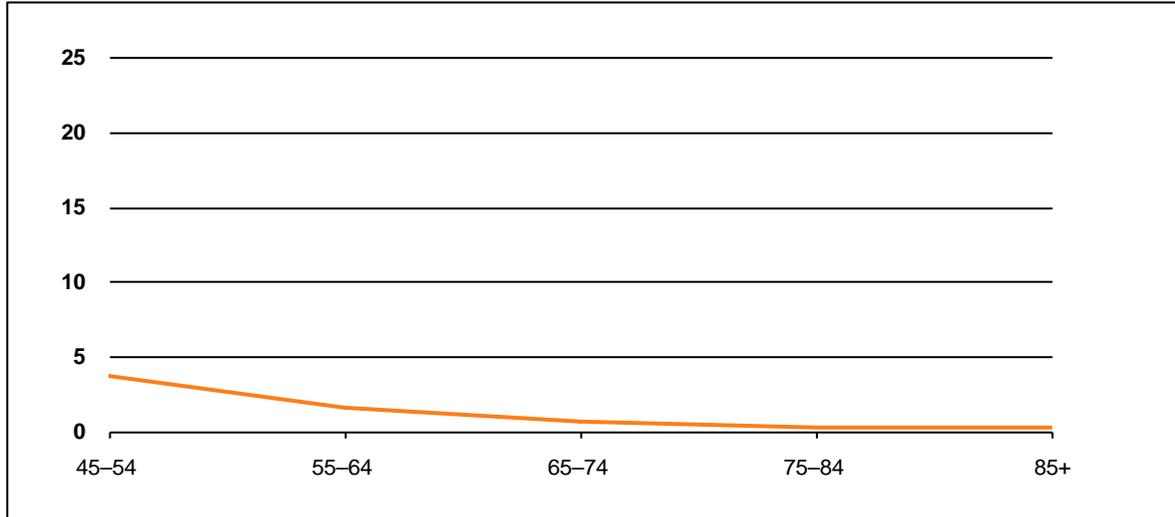


Source: ABS 2007, 2006 Census of Population and Housing, ABS, Canberra

Lifelong learning

The number of Australians aged over 55 who participated in formal or informal learning in 2006 was very small (48,175 or 1%), with very little difference between men and women. The participation rate for people aged 45–54, however, was much higher at almost 4% (see Figure 3.3).

Figure 3.3 Participation in (formal or informal) learning, people aged 45 and over, (%), 2006



Source: ABS 2007, 2006 Census of Population and Housing, ABS, Canberra

Literacy

The ABS Adult Literacy and Life Skills Survey (ABS 2006a) measures⁴:

- prose literacy: the ability to understand and use information from narrative texts, including newspapers, magazines and brochures
- document literacy: required to locate and use information in job applications, payroll forms, transportation schedules, maps, tables and charts
- numeracy: required to manage and respond to the mathematical demands of diverse situations
- problem solving: goal-directed thinking and action in situations for which no routine solution is available.

Figures 3.4 to 3.7 display comparisons among older age groups in respect of these domains. It is evident that levels decrease with age.

⁴ Health literacy is also assessed. See Chapter 8.

Figure 3.4 Prose literacy levels, persons aged 55–74, (%), 2006

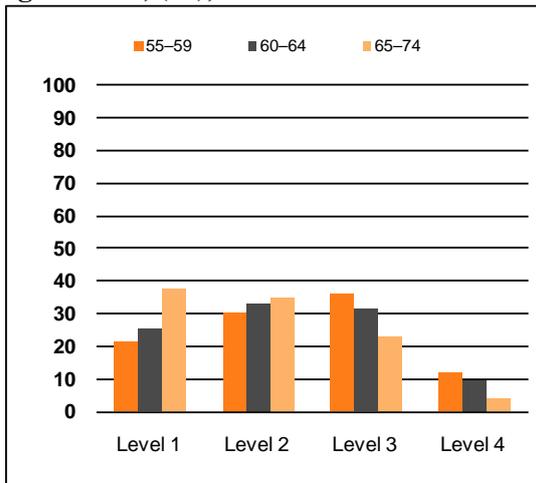


Figure 3.5 Document literacy levels, persons aged 55–74, (%), 2006

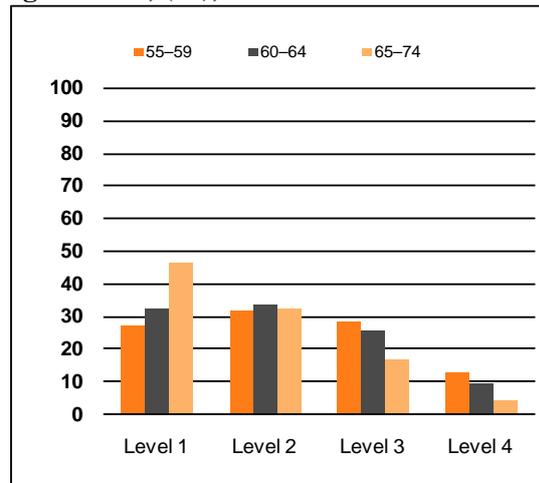


Figure 3.6 Numeracy levels, persons aged 55–74, (%), 2006

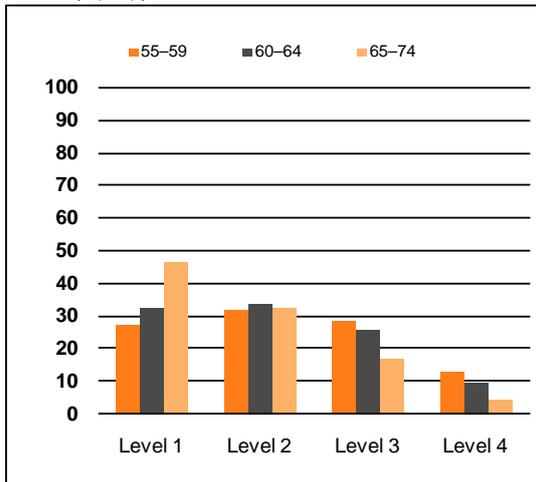
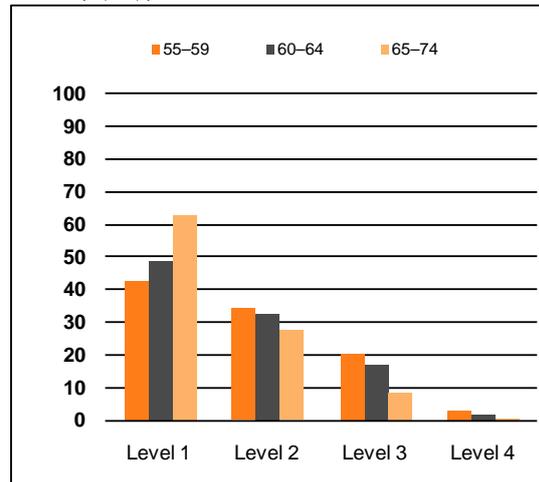


Figure 3.7 Numeracy levels, persons aged 55–74, (%), 2006



Source: ABS 2006a, Adult Literacy and Life Skills Survey, summary results 2006, Cat. no. 4228.0

Discussion

Lifelong learning is important for a number of reasons. First, there are no longer ‘jobs for life’. Individuals face the prospect of changing jobs and changing employers, of new technologies being introduced into workplaces and of organisational change. Second, globalisation and the knowledge economy have led to a decline in the number of low-skill, manual and repetitive jobs and the constant creation of new jobs. Third, in response to the new environment, employers want employees who are capable of learning new skills and working with new technologies. Engagement in lifelong learning has become a necessity for people of all ages.

Retraining usually requires a base of generic skills such as literacy, numeracy, communication, problem solving and ability to work in teams. In order to retain work many older people will have to retrain, especially those who no longer have the capacity to work in physically demanding occupations and those made redundant through economic downturns or industry obsolescence.

Many older Australians have lacked opportunities to retrain. Yet all workers need to be able to engage in ongoing skill development up to and beyond Age Pension age if they are to extend their working life. Older workers with low-level qualifications may face significant challenges in

accessing and completing future training that is a critical determinant of the length of their working life. Retraining for a different occupation may benefit those who have departed the workforce for health reasons or due to redundancy or retrenchment, by not only extending their working life but increasing their income and resources to prepare for retirement. This may be of particular importance for the great bulk of the self-employed with no post-school qualification who have no or low superannuation (ASFA 2008).

In addition to the personal and societal and economic value of lifelong learning, it also has the capacity to increase social participation and improve personal wellbeing.

4 Economic resources

The pension's below the poverty line, you know, and that's to me scandalous ... I think that the pension should be made a little bit higher ... Surely to goodness they can see that people—I mean, living on two hundred and something dollars a week compared to what politicians and that are living on. I often wonder where it's all going to finish up ... It's getting worse, it's not getting any better, and people are suffering more, and that disturbs me.
(Waterhouse & Angley 2005, p.4)

Access to economic resources helps to maintain access to good quality housing, services to support good physical and mental health, engagement in education and training and workforce participation. This in turn supports individuals to generate the consistent income stream essential not only to wellbeing during the later working years but also to preparing for retirement. In addition, adequate income and assets are necessary to engage in recreational and leisure activities and to deal with unexpected emergencies. Limited economic resources increase the likelihood of financial stress, which may contribute to physical and mental health problems.

Chapter 3 referred to Australia's experience of long-term economic growth and the corresponding labour market characteristics of increasing participation and decreasing unemployment. Many older working age and recently retired Australians had little share in these good times. In 2009, more than one in four Australians aged 65 years and over were living in poverty on international measures—the fourth highest old-age poverty rate in OECD countries and double the OECD average. At the same time, those who had invested in private pensions were heavily hit by real losses by their superannuation funds—27% in 2008. This was the second worst investment performance for private pensions in the 30 OECD countries, after Ireland (OECD 2009a). Thus, not all households experienced an increase in available economic resources and the associated benefits to help them to prepare for their later years.

Systemic financial factors exacerbate this situation. Analyses by NATSEM and the Brotherhood (Kelly 2009; BSL 2008b) indicate that older, poorer people are much discriminated against in Australia's current tax and transfer system whose current structure overwhelmingly favours those whose incomes and assets are already high. The Brotherhood's submissions to the Harmer Review of retirement incomes (BSL 2008a) and the Henry Review of taxes and transfers (BSL 2008b) explore a range of possible policy options to correct the balance toward older disadvantaged people.

The Age Pension for single pensioners was raised in September 2009 from \$304.19 per week to \$336.68 per week and for pensioner couples combined from \$497.36 per week to \$507.50 per week (Swan & Macklin 2009). This lifted the rate from 25% of male total average weekly earnings to 27.7%. Even so, 'public pension spending is only 3.5% of national income in Australia, compared with an average of over 7% of GDP in OECD countries' (OECD 2009a).

Income poverty

The majority of people aged 65 years and over receive a full or part Age Pension. For 68% of couples and 78% of singles aged over 65, the Age Pension is the principal source of income. The proportion of older women (76%) is higher than of men (66%).

- About 60% of retired people received a gross weekly income of less than \$300 per week which was below the 2008 poverty benchmark (50% of median income) of \$308 per week for singles.
- The cohort with the highest reliance on the Age Pension was single women (82%)
- While 96% of pensioners have some assessed private income, 40% of single Age Pensioners and around 25% of those with partners have a private income of less than \$500 per year.

- A retiree can move abruptly below the poverty line when a partner dies. Not only is their income reduced to the single Age Pension rate but eligibility for a Carer Allowance also ceases (Naufal & Naughtin 2008a)
- Women who divorce later in life are particularly vulnerable to poverty (ABS 2009c).

Asset poverty

A dearth of retirement assets, especially in superannuation and home ownership,⁵ contributes to poverty among older people in Australia.

- Between 2000–01 and 2007–08, there was a rise from 10% to 16% of people aged 55 years and over who were still paying mortgages and a rise in the number of renters from 13% to 15% (Irvine 2009).
- In 2007, just under 54% of people aged 65–69 had no superannuation coverage. (ABS 2009c)

Women generally have fewer assets than men and significantly less money saved for their retirement:

- The disparity between genders starts around age 25 and widens over time. Women average 17 working years to build wealth, compared with 29 years for men.
- Half of women aged 45–59 have \$8,000 or less in their superannuation funds, compared to \$31,000 for men (Australian Human Rights Commission 2009).
- The average superannuation payout for women is a third of the payout for men: \$37,000 compared with \$110,000 (Australian Human Rights Commission 2009).
- In 2007, 41% women aged 55 years and over were covered by superannuation, compared with 60% men (ABS 2009c).

Low income and low wealth

For the great majority of Australians, wealth primarily consists of ownership of the family home. However, as will be explored in chapter 4, some 15% of people aged 65 years and over are living in rental accommodation. The likelihood of living in poverty is greater for this cohort. For those in public housing, the cost of rent is contained at 25% of the Age Pension. However, the public housing shortage has left increasing numbers at the mercy of escalating private rental prices. For these people, Commonwealth Rent Assistance falls far short of compensating for market rates; and paying for housing leaves many with insufficient funds to cover other basic living costs.

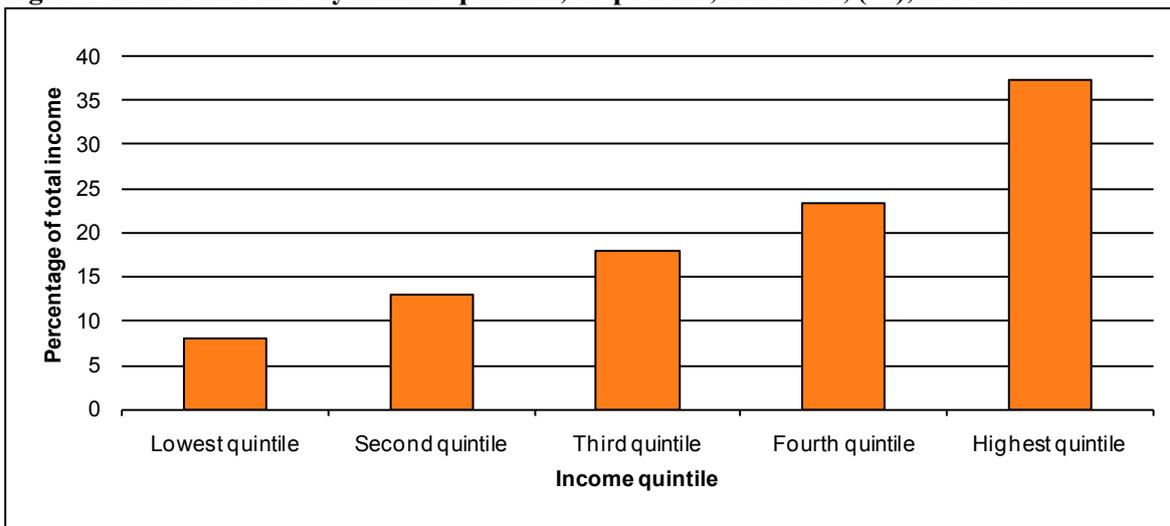
- For the 32% people aged over 65 who do not own their own home, rent is the key determinant of financial stress and quality of life (Naufal & Naughtin 2008a)

Income poverty

Income in Australia is unevenly distributed. Figure 4.1 shows that in 2003–04, the highest income quintile earned 37 per cent of the total income (ABS 2005a, Table 1). Most older Australians have incomes in the lowest two quintiles, which together account for 21 per cent of the total.

⁵ Data on home ownership is found in Chapter 4.

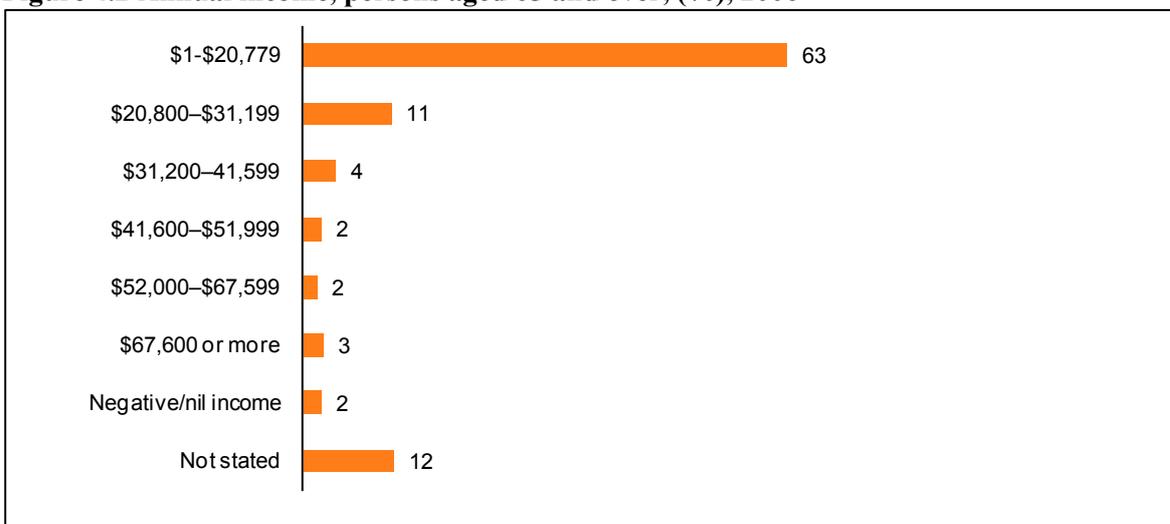
Figure 4.1 Income share by income quintiles, all persons, Australia, (%), 2003–04



Source: ABS 2007, 2006 Census of Population and Housing

As Figure 4.2 indicates, 63% of Australians aged 65 years and over had an annual income below \$20,800. This figure is almost equivalent to the percentage on the full Age Pension (62%). ABS data from 2007 showed that the longer people had been retired, the more likely they were to have government pensions as their principal source of income (45% of those retired for 5 years, compared with 73% of those retired 20 or more years) (ABS 2009c).

Figure 4.2 Annual income, persons aged 65 and over, (%), 2006



Source: ABS 2007, 2006 Census of Population and Housing

Asset poverty

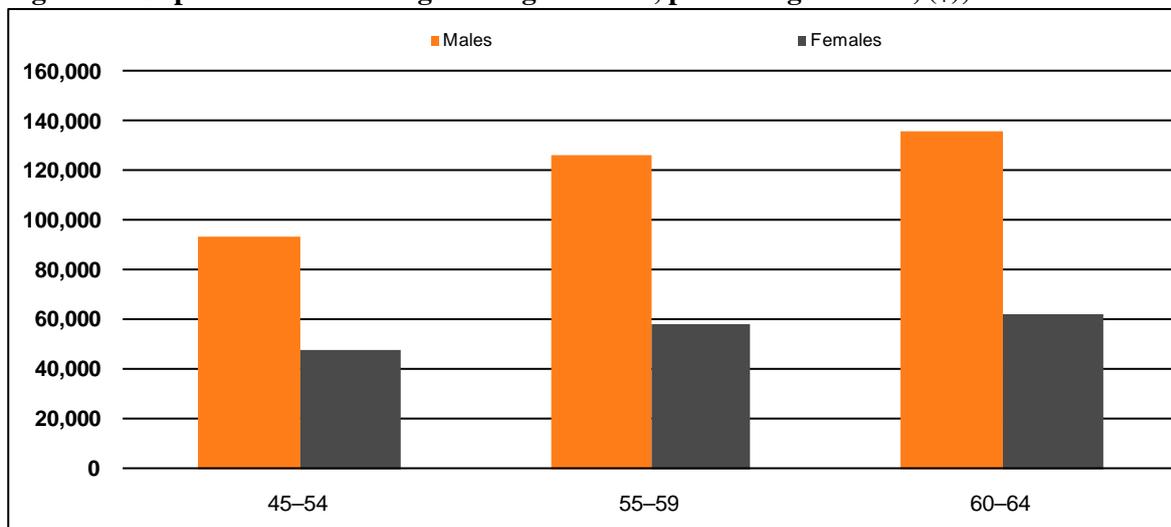
Superannuation

The Superannuation Guarantee in 1992 came too late to benefit most older Australians. In 2007, 71% people aged 65 and over and 25% of people aged 55 to 54 years had no superannuation coverage (ABS 2009c).

Average superannuation balances are lower for women than for men in all older age groups (see Figure 4.3). For example, in 2005–06 the average balance for women aged 55–59 was \$58,760 and for men was \$126,090.

The gender gap widens over time, as women average 17 working years to build wealth compared with 29 years for men. Yet women are living longer which means that their superannuation has to support them for longer while reducing over time.

Figure 4.3 Superannuation savings average balance, persons aged 45–64, (\$), 2005–06



Source: Clare 2008b, Retirement savings update, ASFA

Low income – low wealth households

For a person or a household, low income does not automatically mean low wealth, or vice versa. It is possible to be low income – high wealth, when assets are high, or high income – low wealth, where assets are low.

Low income and low wealth

In 2003–04, over one million Australian households reported both low income (the lowest three deciles for income) and low wealth (the lowest three deciles for wealth). Older people represented in these deciles are mainly those who are living in private or public rental accommodation, are homeless or are at risk of homelessness.

Low income and high wealth

As wealth takes time to accumulate, older working age people tend to be wealthier than younger people. However, as will be examined in Chapter 4, their home is the primary asset for over two-thirds of older people.

Home owners, even those on low incomes, have the advantage of not having to pay rent especially in the private market. However, their assets are usually locked away from producing any income stream. This often poses a financial burden to older low income earners, especially in respect of maintenance and renovations such as ramps and hand rails necessary as people become frail or disabled with age, as well as limiting their ready cash to pay for other living expenses.

Discussion

Overall, Australians became richer over 17 consecutive years of positive economic growth and average weekly incomes rose (ABS 2006e), but the rise in the Age Pension in September 2009 only managed to reduce the gap between the Age Pension rate and the poverty line.

The Association of Superannuation Funds of Australia (ASFA) argues that, despite the compulsory superannuation system gradually leading to higher retirement incomes, with average payouts in 2005–06 around \$136,000 for men and only \$63,000 for women it is clear that most recent retirees will need to substantially rely on the Age Pension in retirement (Clare 2008b).

This is particularly the case for disadvantaged people in Australia as they grow older, restricted as they are through low educational qualifications, bouts of unemployment, casual and short-term employment, poor health, lack of superannuation coverage and lack of opportunity for home ownership. Moreover, many have also been adversely affected by the economic downturn, especially through retrenchment or reduced working hours.

In addition, ASFA calculations suggest that since the global financial crisis:

for those still in the workforce, and assuming no reduction in wages, ... for the hypothetical median person with superannuation in 2007 their account balance of \$56,000 would have been bolstered by compulsory superannuation contributions after tax of around \$4,000 on the median wage while at the same time being eroded by around \$6,000 due to negative investment returns (Clare 2008a, p.6)

While those continuing in paid employment may see their balances recover, for most of those recently retired or on the brink of retirement who had accumulated modest superannuation savings and other investments this is not an option and they will have to bear the loss.

Older women continue to be more likely to live in poverty. They are likely than to have spent less time in paid employment, and many were ineligible to join superannuation funds, especially if they were married. Most women have accumulated less superannuation than men because they earned less over their working lives, due to many factors including lower wages (women's full-time adult earnings are still only 80% of men's), part-time work, or intermittent work combined with carer responsibilities for young families or older relatives. Even with an increasing female workforce participation rate, women will continue to be handicapped in accumulating assets to provide a retirement income above the poverty line.

5 Housing

And I see it all around me and it saddens me when a country like this—I've got a warm bed and a house—not that I own the house, the Commission own it—I mean, I've been fortunate enough—I got it 30 years ago, I wouldn't get it now because you know things are so hard to get it now. There's not enough housing for people, and that's the first, my first, priority anyway. Everybody's got a right to housing. Not to be on the streets in a country like this.

(Waterhouse & Angley 2005, p.13)

Adequate housing is an internationally recognised human right; and for many Australians, home ownership is 'the great Australian dream'. However, in 2006, 32% of people aged 65 and over had not realised this dream and for increasing numbers of people approaching pensionable age the dream has become unrealisable. Particularly vulnerable are people who have been marginally attached to or locked out of the labour market for a long period and have therefore not had the financial capacity to obtain or service a mortgage.

With seven out of eight major housing markets in Australia rated as severely unaffordable (Cox & Pavletich 2008), there has been a dramatic decline in home ownership among people aged 45–59. The greatest impact of the housing affordability problem is on low and moderate income earners in the rental market (Homelessness Taskforce 2008). For older renters, rent constitutes the primary expense and key determinant of their financial situation and quality of life (Naufal & Naughtin 2008a). A worrying number of older Australians are in housing stress, having low incomes and paying more than 30 per cent of their gross income on housing

Adequate housing is more than just shelter. People can also experience problems in overcrowded, unsafe or unhygienic housing—or may face a tough choice between having accommodation of an adequate standard or being close to services. Increasing housing costs have meant that access to suitable, well located accommodation is very difficult for older people on low incomes.

Housing tenure

- Between 2000–01 and 2007–08, the percentage of people aged 55 years and over who were still paying mortgages increased from 10% to 16%, and the percentage renting rose from 13% to 15% (Irvine 2009)
- Of older lone persons, 23% lived in rental accommodation and 3% were repaying a mortgage (ABS 2009e)
- Between 2006 and 2026 the number of lone person households will almost double, reaching almost one and a half million (ABS 2009e).

Housing stress

- The numbers of older Australians in housing stress increased by 30% between 2003 and 2007. (Homelessness Taskforce 2008)
- Average rents paid by Commonwealth Rent Assistance recipients have considerably outpaced the level of rent assistance over recent times (ABS 2006d).

Housing supply and demand

- The number of public housing dwellings in Australia decreased between 2001 and 2006 from 359 000 to around 341 500 (AIHW 2007)
- In 2001, 58% of eligible older people were not able to access public housing (McNelis & Neske 2008)
- Demand by older people for public housing was projected to increase by 75% from 2001 to 2016. An average 4,391 additional older person households will need to be housed each year (AHURI 2009b).

Homelessness

- Over 18,000 people aged 55 or over were homeless on Census night in 2006, 4,000 more than in 2001 (Australian government 2008)
- With 7% of Commonwealth Rent Assistance (CRA) recipients older than 65 years of age, paying more than 50% of their income in housing costs after receipt of the CRA payment, the risk is high that homelessness among older people will continue to rise (Homelessness Taskforce 2008).

Housing tenure

Table 5.1 shows that in 2001, 69% of people aged 65 years and over owned their homes and 4.5% were purchasing their home, while 11.5% were living in rental accommodation, either public (5%) or private (7%). The balance lived in non-private dwellings (residential aged care facilities) or in 'other tenures' such as boarding houses.

Table 5.1 Housing profile of older Australians, persons aged 65 and over, (%), 2001

Tenure	Percentage
Own house	69
Buying	5
Public rental	4
Private rental	7
Other tenure (including non-private dwelling e.g. nursing home)	16

Source: Australian Institute of Health and Welfare 2007, *Older Australia at a glance*, 4th edn

Lone older person households

In 2006, lone person households made up 29% of all households, and more than a third of persons aged over 75 (Table 5.3). Some 17% of lone older persons were renting or still paying a mortgage (see Table 5.2). For most single aged people (73%) the main source of income is government benefits.

Table 5.2 Some characteristics of lone person households aged 65 and over, (%), 2006

Characteristic	Percentage
Tenure	
Own house	57
Buying	2
Public rental	8
Private rental	7
Other tenure (including non-private dwelling e.g. nursing home)	27
Age	
65–69 years	18
70–74 years	18
75 and over	64
Source of income	
Mainly private	27
Mainly government benefits	73

Source: Lloyd 2007, 'STINMOD: Use of a static microsimulation model in the policy process in Australia'

Projections relating to household type 2006–2026 indicate that the number of lone person households will almost double, from more than three-quarters of a million to almost one and a half million. Among people aged 85 years and over, lone-person households will more than double.

Table 5.3 Projected living arrangements 2006 and 2026, persons aged 65 and over, (%), 2004

	2006				2026			
	65–75	75–84	85+	Total	65–75	75–84	85+	Total
Family households								
Couple family	69	51	26	58	70	53	27	58
Other family	6	6	8	6	5	6	7	6
Group	2	1	1	1	2	1	1	1
Lone person								
Male	8	9	9	8	8	9	9	9
Female	14	27	30	21	14	26	32	21
Total lone person households	22	35	39	29	22	35	42	29
Usual resident in non-private dwelling	2	6	26	6	1	5	23	6
Total	100	100	100	100	100	100	100	100

Source: ABS 2004a, Household and family projections, Australia 2001 to 2026, Cat. no. 3236.0

Housing stress

Older people whose main source of income is the Aged or Disability Support Pension, and whose incomes are thereby in the second lowest quintile (BSL 2007) are more likely to experience housing stress, especially if they do not own their own home.

Table 5.4 Housing costs as a proportion of gross income by income quintile, all persons, (%), 2003–04

Proportion of gross income	Equivalised disposable household income quintile				
	Lowest %	Second %	Third %	Fourth %	Highest %
25% or less	66	72	76	82	88
More than 25% to 30%	6	8	8	8	5
More than 30% to 50%	14	16	13	9	6
More than 50%	14	4	3	2	1

Source: ABS 2006d, Housing occupancy and costs 2005–06, Cat.no. 4130.0.55.001

Homelessness

The extreme form of inadequate housing is homelessness. Many who become homeless have struggled with considerable personal disadvantage throughout their lives (Homelessness Taskforce 2008). Without a place to live in security, peace and dignity, homeless Australians are likely to experience worsening mental health, reduced employment opportunities, discrimination and social exclusion (Jones 2005). Homeless people may lack access to basic needs such as food and clothing and are vulnerable to a multitude of dangers including exploitation and violence.

The number of older Australians who are homeless is rising. On Census night in 2006, over 18,000 people aged 55 or over were homeless, 4,000 more than in 2001 (Table 5.5).

Table 5.5 Change in homeless population, older age groups, (%), 2001–2006

Age group	2001	2006	% change
45–54 years	10,349	12,206	18
55–64 years	7,883	10,708	36
65 or older	5,995	7,400	23
All ages	99,900	104,676	5

Source: FaHCSIA unpublished table from ABS Census 2001 and 2006 data, in Australian Government 2008 The road home: white paper.

An inadequate supply of public housing, as well as private rents rising faster than the CPI, increases the risk of homelessness for older people in the private rental sector.

Discussion

Under the Howard government, federal housing assistance policy shifted away from provision of public housing through the Commonwealth State Housing Agreement towards Commonwealth Rent Assistance to support people to rent in the private market. ABS data show, however, that average rents paid by rent assistance recipients have considerably outpaced the level of Commonwealth Rent Assistance over recent times (BSL 2008a).

In 2009, the Rudd government raised the Age and Disability Support pensions' full rate by \$32.49 per week for single people and \$10.14 for couples, and began implementing policies such as the National Affordable Rental Scheme (NRAS) and the Social Housing Initiative. However, housing stress and homelessness rates are likely to rise before these major reforms are fully implemented. AHURI estimates that among the poorest 20% of people who are eligible for NRAS, the scheme will lift only one in four out of housing stress (AHURI 2009a). Older people in housing stress are one of the rapidly growing groups most vulnerable to homelessness (Homelessness Taskforce 2008).

While insecure or unaffordable housing has deleterious effects on all groups, some effects are most serious for older people. The assumption that the ageing process is associated with declining health sometimes leads to housing needs being treated as a health care problem, whereas housing itself is the priority. As a result, many older Australians reside in health care facilities by default. This leads to unnecessary increases in dependence. Low-income older people are at greatest risk of losing their independence, because there are few affordable options.

Single older people are at particularly greater risk of housing stress. Increasing housing stress is reported among recently widowed pensioners as they move to a single Age Pension and lose any carer allowance. There is evidence too that increasing numbers of older women are becoming homeless due to domestic violence (Naufal & Naughtin 2008a).

Secure housing is both a cause and an effect of good health status. Housing stress and homelessness are significant causes of poorer physical and mental health and deteriorating wellbeing (Temple & Jeromey 2008; Naufal & Naughtin 2008a), but on the other hand, may also be caused by mental and physical illness (Kelly 2009).

Of course, housing is more than simply a roof over one's head. Access to services and a suitable built environment are also important. Older people are less mobile and more dependent on the locational amenity of their housing (McNelis 2007; Naufal & Naughtin 2008a).

6 Physical health

My wife was up there 27 times in one year, at the hospital. Backwards and forwards, and ... she was in Emergency seven days out in the hallway, you know. She had pneumonia, she had broken hips, she had orthoporosis [sic] and ... it's not good enough.

(Waterhouse & Angley, p.11)

In Australia, life expectancy is increasing and is among the highest in OECD countries. In 2004–06, life expectancy for women in Australia was 82.3 years and for men 76.4 years, compared with 59 years and 55 years respectively in 1901. This is an increase of about 27 years. At age 65, women now expect to live for another 21.1 years and men for a further 17.5 years (AIHW 2006b). Moreover, men and women aged 85 years can expect to live for a further 5.7 and 6.9 years respectively. However, a recent analysis of Australian data from 1988 to 2003 suggests that a considerable proportion of the additional years of life are years spent with disability (AIHW 2006b). The consequences of this for all older people are disturbing, and considerably more so for those who also experience other forms of disadvantage.

Physical health outcomes

Self-assessed health status is used as an indicator of general health and wellbeing and has been found to be a strong indicator of future mortality (Idler & Benjamini 1997; Gerdtham & Johannesson 1999). Many older Australians have a positive view of their health even though older age is generally associated with increasing disability and illness. At the same time:

- In 2005, nearly 100% of people aged 65 years or more reported at least one long-term health condition (AIHW 2007).
- Over 90% of people aged 65 years and over are taking medicines in any two-week period (Stephenson & Dobson 2008).

Disability

For many people disability increases with age:

- Of all persons aged 65 years and over, 56% had a reported disability and 22% had a profound or severe core activity limitation.
- Some 45% of 65–74 year olds reported a disability, rising to 82% people aged 85 years or older.
- The number of older people with a disability is projected to almost double from 560,900 in 2003 to 1,116,200 in 2023 (AIHW 2006b).

Need for care and support

In 2003, 43% of the 2.3 million people aged 65 years and over living at home expressed a need for some form of assistance to help them stay there. A higher proportion of women than men required assistance for all activities except communication, a result which is consistent with their older age profile:

- 50% of women needed assistance with at least one activity to help them stay at home, compared with 35% of men (AIHW 2007).

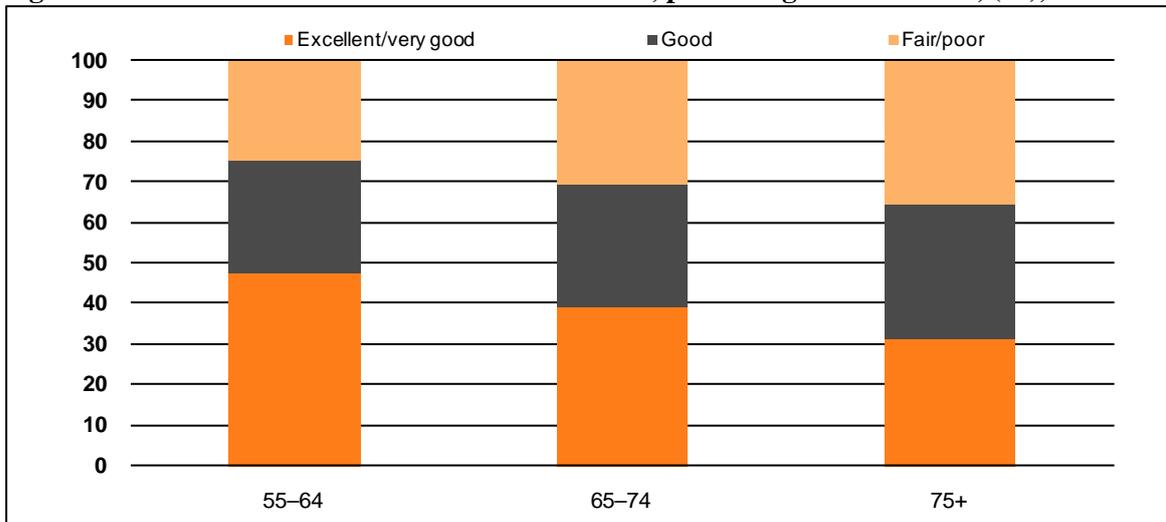
Physical health outcomes

Self-assessed health status

As Figure 6.1 indicates, the proportion of both older men and women reporting fair or poor health increases with age. About one-quarter of people aged 55–64 years reported their health as fair to

poor, rising to nearly one-third for those aged 65–74 years and more than one-third for those aged 75 years and over.

Figure 6.1 Self-assessed* health status of Australians, persons aged 55 and over, (%), 2004–05



* Self assessed: people's general assessment of their own health against a 5-point scale from excellent to poor
 Source: Australian Institute of Health and Welfare 2007, Older Australia at a glance, 4th edn

Use of health care services

Older Australians use the services of GPs at more than double the rate of younger people. As Table 6.1 indicates, in each age group, older women were more likely than older men to visit a GP.

Table 6.1 Use of GPs, by age and sex, 2005–06

Age	No. of visits per 1000 people		
	Males	Females	Persons
Under 55	3051	4393	3715
55–64	5031	6320	5673
65–74	7614	8436	8034
75–84	8650	9646	9210
85 and over	7589	10480	9531
Total 65 and over	7969	9185	8636
Total all ages	3863	5299	4584

Source: Australian Institute of Health and Welfare 2007, Older Australia at a glance, 4th edn

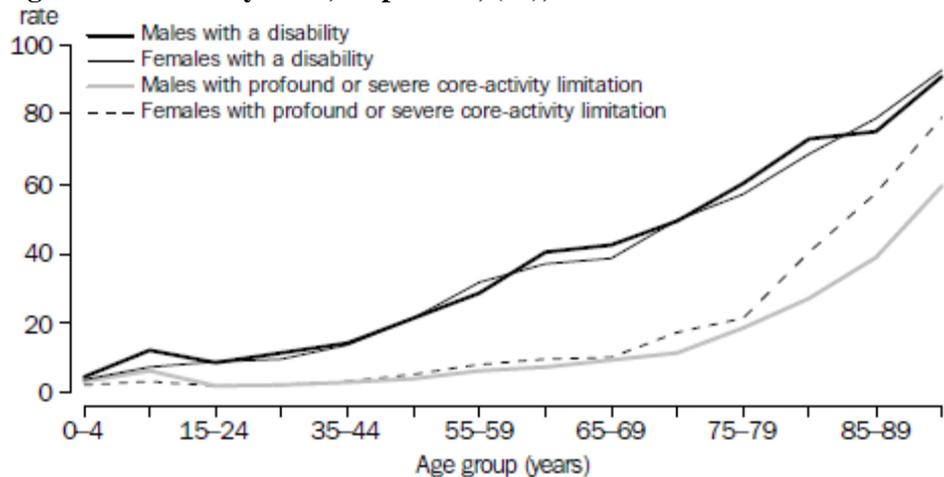
Disability

Physical disability

In 2003, over half of all people aged 65 years and over had at least one form of disability lasting (or expected to last) at least 6 months and restricting everyday activities. There is little difference in the rates for males and females. Physical and multiple disabilities are the most common types at this stage, affecting 45% of older people (AIHW 2005, 2007)

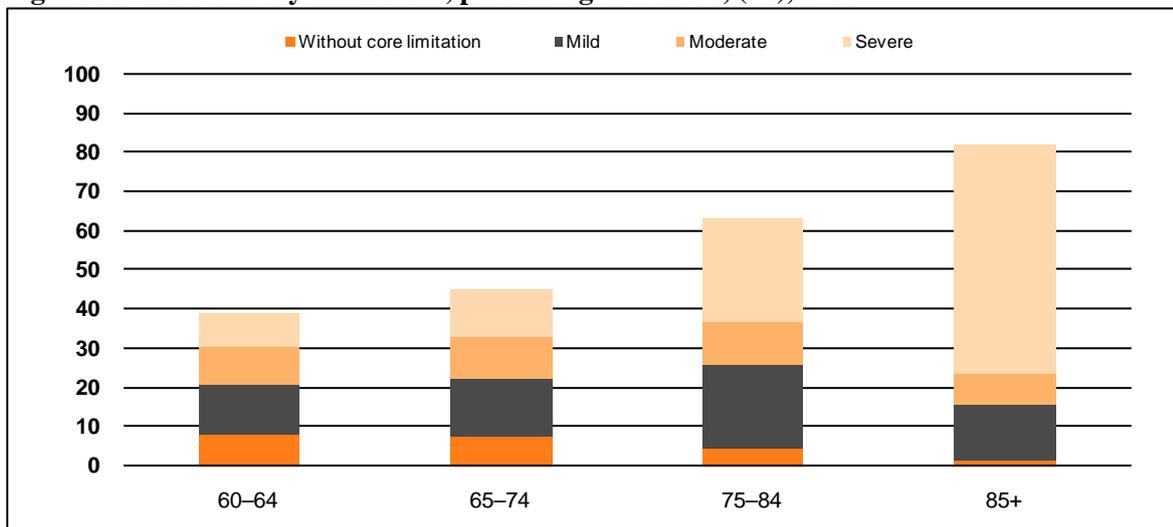
Figure 6.2 shows the extent to which disability increases with age. While about two-thirds of both men and women aged 60–64 years experienced no core activity limitation, about 90% of women and 80% of men aged 85 and over experienced mild to high core activity limitation. Some 12% 65–74 year olds had a profound or severe core activity limitation, rising to 58% people aged 85 years or older (ABS 2006c) (see also Figure 6.3.)

Figure 6.2 Disability rates, all persons, (%), 2003



Source: ABS 2004b, Mature age persons statistical profile: health, Cat.no. 4905.0.55.001

Figure 6.3 Core activity limitations, persons aged over 60, (%), 2003

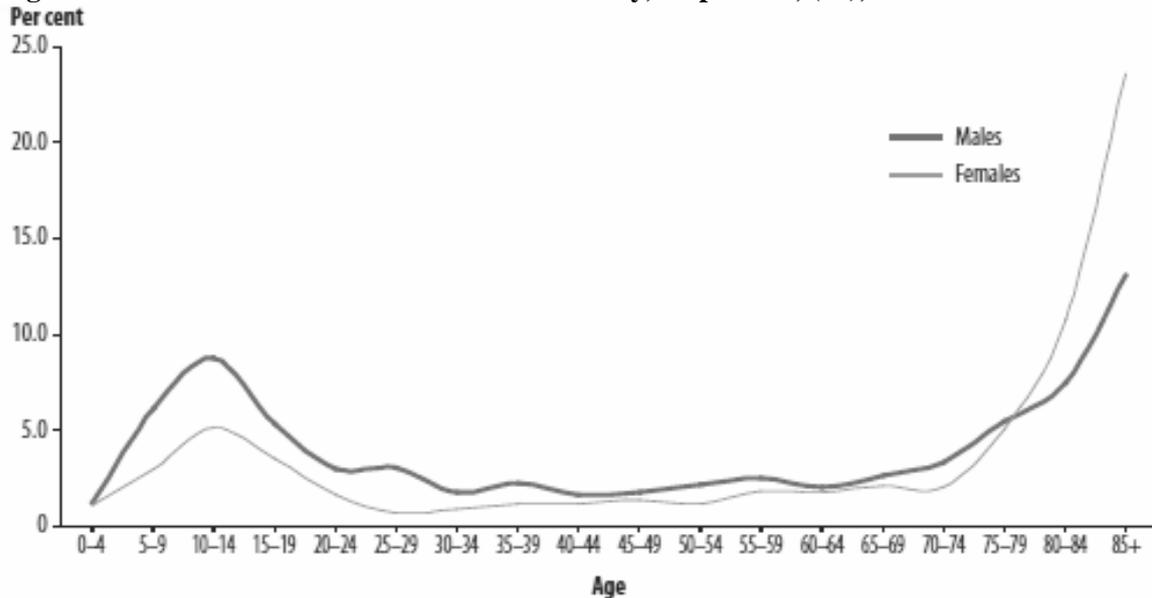


Source: Australian Institute of Health and Welfare 2007, Older Australia at a glance, 4th edn

Intellectual disability

Among people aged 65 years or older, some 6% (152,500 persons) had an intellectual disability. As Figure 6.4 shows, intellectual disability is most prevalent among those aged 75 years and over, especially women, where it is often associated with dementia.

Figure 6.4 Prevalence rates of intellectual disability, all persons, (%), 2003



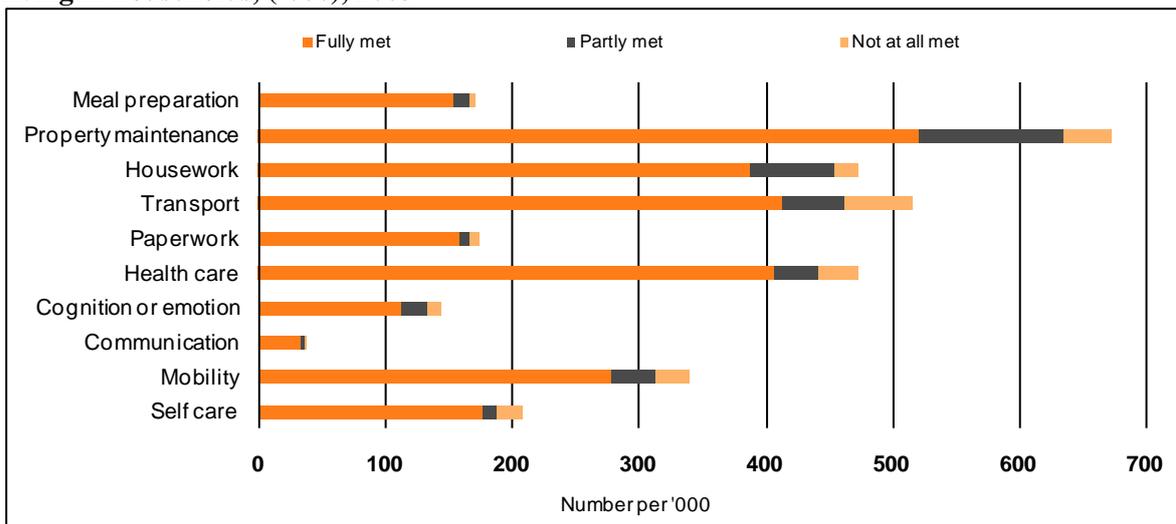
Source: AIHW 2008, Disability in Australia: intellectual disability

Need for care and support

Aged care needs

The ABS Survey of Disability, Ageing and Carers in 2003 found that 43% (1,004,400 persons) of the 2.3 million people aged 65 years and over living at home expressed a need for some form of assistance to help them stay there (ABS 2004b). As Figure 6.5 indicates, the greatest needs for assistance were with property maintenance, transport, housework, health care and mobility; and not all of these needs were fully met.

Figure 6.5 Type of assistance required and whether need was met, persons aged 65 and over living in households, ('000), 2003



Source: Australian Institute of Health and Welfare 2007, Older Australia at a glance, 4th edn

Community Aged Care Packages (CACP)

In 2006, over 31,000 Australians aged 55 years and over were receiving support in the form of federal Community Aged Care packages (CACPs): this represented less than one percent of that

age-group. As Figure 6.2 shows, the largest groups of CACP recipients were aged 75–90, and women outnumbered men.

Table 6.2 Community Aged Care Package recipients, all persons, (%), 2006

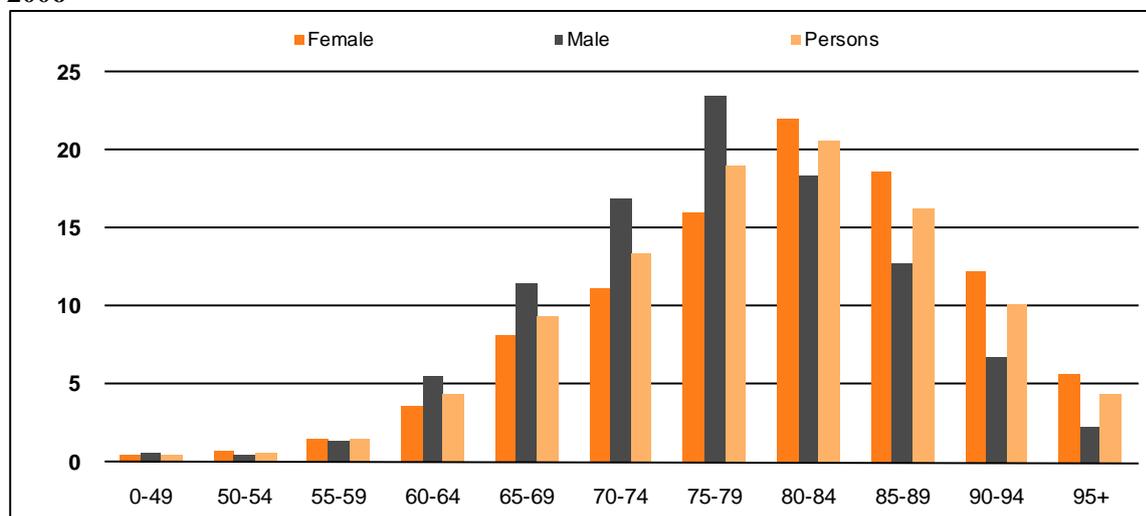
Age	Females		Males		Persons	
	Number	Percentage	Number	Percentage	Number	Percentage
0–49	110	0.5	76	0.8	186	0.6
50–54	110	0.5	118	1.3	228	0.7
55–59	297	1.3	215	2.4	512	1.6
60–64	570	2.5	335	3.7	905	2.8
65–69	1,104	4.9	700	7.7	1,804	5.7
70–74	1,855	8.2	933	10.2	2,788	8.8
75–79	3,705	16.3	1,593	17.4	5,298	16.7
80–84	5,918	26.1	2,076	22.7	7,994	25.1
85–89	5,391	23.8	1,866	20.4	7,257	22.8
90–94	2,900	12.8	971	10.6	3,871	12.2
95+	702	3.1	258	2.8	960	3.0
Total	22,662	100.0	9,141	100.0	31,803	100.0

Source: AIHW analysis of DoHA Aged and Community Management Information System (ACCMIS) database, Australian Institute of Health and Welfare 2007, Older Australia at a glance, 4th edn

Extended Aged Care at Home (EACH)

In 2006, there were also 2,131 people receiving EACH packages (tailored to help those with complex care needs), with only about 7% of recipients aged less than 65. Women predominated, especially at older ages (Figure 6.6).

Figure 6.6 EACH recipients (excluding EACH Dementia), all persons (% of total recipients) 2006



Source: Australian Institute of Health and Welfare 2007, Older Australia at a glance, 4th edn

Home and Community Care (HACC)

In 2004–05, HACC provided assistance to over 744,000 people, 75% of whom were aged over 65. Two-thirds of older clients were women, with the single biggest group being women aged 75–84 (32% of all older clients). People using HACC services have a younger profile than those in residential aged care or receiving care packages in the community. Among HACC clients aged 65 and over, only 27% were aged 85 years and over, compared with 40% of people using Community Aged Care Packages, 33% of people using Extended Aged Care at Home packages and 57% of all older people in permanent residential aged care (AIHW 2007).

Residential aged care

In June 2008 there were 160,250 residents in mainstream residential aged care services. Some 55% were aged 85 and over, and over one-quarter (27%) were 90 years and over. Both age-groups had grown since June 2000, when 50% of residents were aged 85 years and over, and 23% were aged 90 years and over.

A high proportion of residents were in receipt of a government pension: 71% of permanent residents were receiving a Centrelink pension, and 18% a Department of Veterans' Affairs (DVA) pension.

On 30 June 2008, 2% of residents in aged care services were receiving respite care. Those in respite care tend to be younger than permanent residents (AIHW 2009).

Discussion

Despite many older people reporting a positive view of their own health, rates of poor physical health and disability increase sharply as people grow older. Almost all people over 65 years and over reported at least one long-term health condition and 90% take medication in any two week period. Although the majority of Australians aged over 65 are free from a disability for which they require personal care, this overall figure masks the numbers of people who have more intensive care and assistance needs as in the older cohorts.

Even though underlying age-specific prevalence rates of disability appear relatively stable, the ageing of the Australian population and the greater longevity of individuals are leading to more people, especially at older ages, having a disability and a severe or profound core activity limitation. At current rates, the number of older people in this category is projected to double over the next two decades—from an estimated 560,900 in 2003 to 1,116,200 in 2023 (AIHW 2007). As the numbers of people with a disability rise, so too will the number of carers required for both informal assistance and aged care programs.

Declining physical health and increasing disability as people age results in higher use of health services and increased need for both community and residential aged care services especially for those aged 75 years and over. A longer life may mean a longer period spent living with a disability.

7 Mental health

I had a nervous breakdown two years after my husband's stroke. I thought I was coping well, but then I had panic attacks and needed anti-depressant medication.

(Hillier 2007, p.18)

Mental health problems may not only cause considerable suffering to the individual and lead to experience of social isolation and poor quality of life, but also have negative impacts on families and the wider community. Mental health problems are also associated with increased exposure to other health risk factors such as poorer physical health and higher rates of death from many causes including suicide (AIHW 2006a).

While the literature on older people's mental health tends to focus on dementia, functional disorders such as schizophrenia, anxiety disorders and clinical depression are more prevalent (AIHW 2007). Major life changes such as divorce, involuntary unemployment, retirement, becoming grandparents, illness or disability, caring or bereavement may contribute to mental health problems in older adulthood.

Mental health disorders

Results from the 2004–05 National Health Survey (ABS 2006e) show that significant numbers of older people experience mental health and behavioural problems excluding dementia:

- Some 10% of older people (230,800 people) reported at least one long-term mental or behavioural problem.
- Anxiety is the most common mental disorder among older people, and the most under-diagnosed and under-treated.
- Mental disorders are more common in low income or high disadvantage households.

Older people with mental disorders are more likely to be socially isolated. They are less likely to have regular contact with friends than are people without a mental illness (AIHW 2007).

Psychological distress

- More than one in ten people aged 65 years and over (78,300 people) reported high to very high levels of psychological distress (ABS 2006e).
- Some 24% older people take medication for their mental wellbeing (AIHW 2007).

Suicide

- Men are a little less likely to report high levels of psychological distress but more likely to commit suicide. Suicide rates for men aged 75 years and over are 22 per 100,000 compared with the rate for women at 5 per 100,000.
- Suicide rates are lowest among all population age groups at age 65–69 but somewhat higher for men over 70 years (ABS 2009a).

Dementia

As the Australia population ages, the incidence of dementia increases rapidly, especially among women with their higher life expectancy:

- In 2006, about 7% of people aged 65 years and over and 22% of people aged 85 years and over had dementia (AIHW 2007).
- Almost two-thirds of older people with dementia were female (118,200 women) (AIHW 2007).

Need for care and support

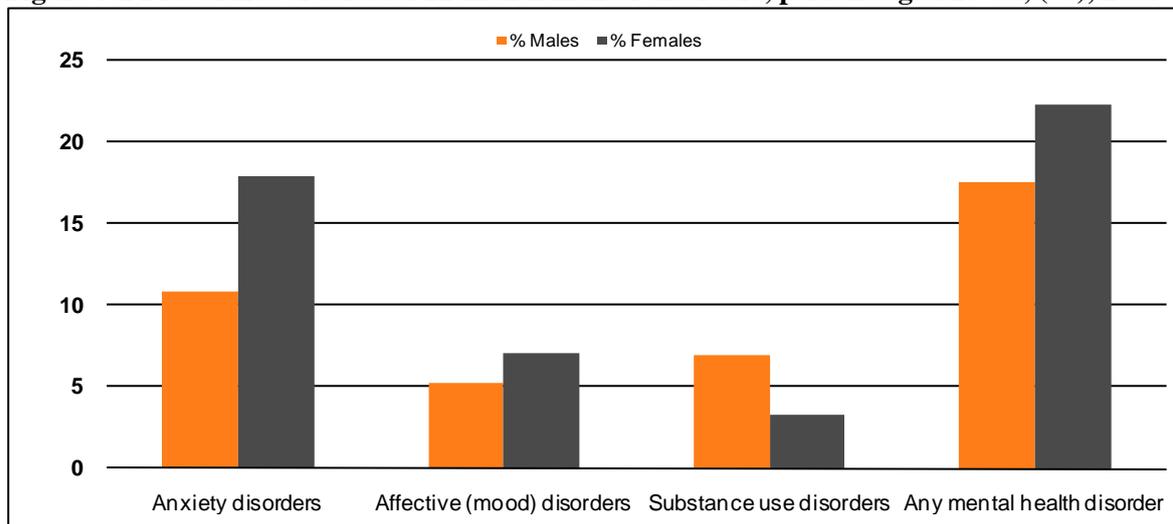
Of the estimated \$1.4 billion health and aged care system expenditure for dementia in 2003, the majority (\$993 million) was in the residential aged care sector (AIHW 2007). However, there is an increased trend for those experiencing dementia, especially in its earlier stages, to continue to live in the community:

- 96% of people with mild dementia are living in households.
- 91% of people with moderate or severe dementia are in care accommodation.

Mental health outcomes

Although most older people enjoy good mental health, a significant minority experience one or more mental or behavioural disorders (10% of older people), suffer high levels of psychological distress (11%), or take medication for their mental wellbeing (24%) (AIHW 2007). Nevertheless, data from the National Survey of Mental Health and Wellbeing (ABS 2007f) indicates that as people age they are less likely to experience mental health problems than younger people; that in all older age groups, anxiety disorders are the most common and substance abuse least prevalent; and that women have higher rates of mental disorders (see Figure 7.1).

Figure 7.1 Prevalence of selected 12-month mental disorders, persons aged 16–85, (%), 2007



Source: ABS 2007f, National Survey of Mental Health and Wellbeing, Cat. no. 4326.0

Socioeconomic factors and mental health problems

People who live in low-income households or who are in the highest quintile on the index of disadvantage are more likely to experience a mental disorder than those in the highest income, least disadvantaged group (see Table 7.1 Specific data on older Australians was not readily available).

Table 7.1 12-month mental disorders by socioeconomic characteristics, all persons (%), 2007

Household indicator	Anxiety disorders	Affective (mood) disorders	Substance use disorders	Any 12-month mental disorder	No 12-month mental disorder
	%	%	%	%	%
Household income					
1 st quintile	17.3	9.3	4.5	23.6	76.4
5 th quintile	12.7	4.1	5.0	17.9	82.1
Index of disadvantage					
1 st quintile	15.8	7.5	5.6	21.5	78.5
5 th quintile	10.9	4.2	4.0	15.9	84.1

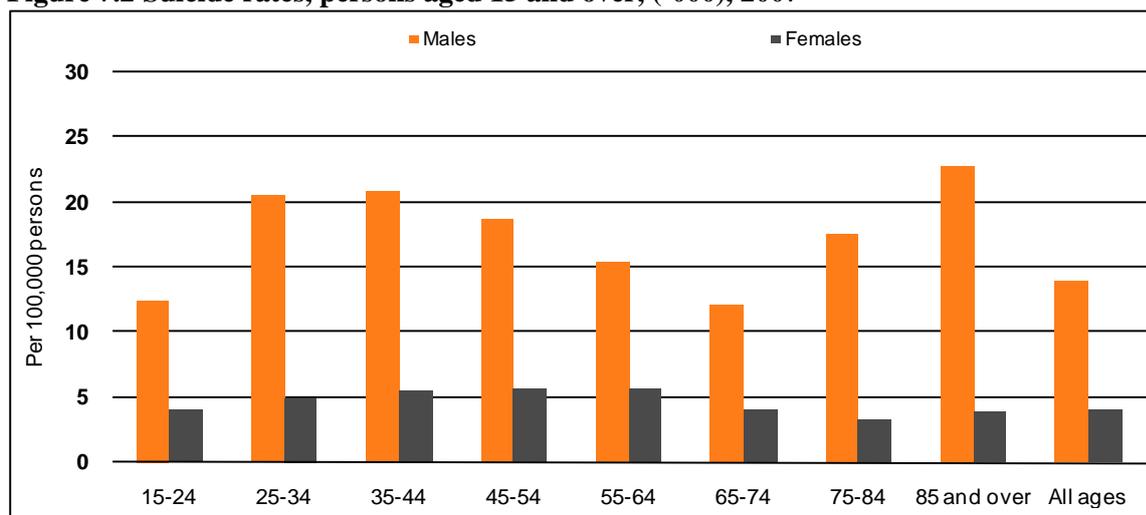
Source: ABS 2007f, National Survey of Mental Health and Wellbeing: summary of results, Cat. no. 4326.0

Suicide

Although rates of suicidal ideation decrease with age, completion rates normally increase with age (AIHW 2007). While men are a little less likely to report high levels of psychological distress, they are more likely to commit suicide (see Figure 7.2). In addition, the rate of suicide among older men increases with age:

- Males constituted nearly three-quarters (73%) of older suicides in 2005.
- Among those aged 65 years and over, the male age standardised suicide death rate was over three times higher than the corresponding female rate (AIHW 2007).

Figure 7.2 Suicide rates, persons aged 15 and over, ('000), 2007



Source: ABS 2009b, Causes of death, Australia, 2007, Cat. no. 3303.0

Dementia

Rates of dementia increase markedly with age. In 2006, an estimated 7% of people aged 65 years and over and 22% of people aged 85 years and over had dementia (Table 7.2). This amounted to around 181,000 people aged 65 years and over, including 73,500 people aged 85 years and over, with dementia. Almost two-thirds of older people with dementia (65% or 118,200 people) were female, partly because women live longer (AIHW 2007).

Table 7.2 Prevalence of dementia, all persons, (%), 2006

Age	Males	Females	Persons
0-64	<1	0	<1
65-74	2	2	2
75-84	7	9	8
85+	17	25	22
Total 65+	5	8	7

Source: Australian Institute of Health and Welfare 2007, Older Australia at a glance, 4th edn

Need for care and support

While there is some data concerning those diagnosed with dementia, data about the care needs of older people with other mental health conditions is not readily available. Of the older people with dementia in 2003, 44% were in care accommodation, and the remainder lived in households. The proportion of people with dementia who live in households decreases with age: 79% of people with dementia aged 65-74 still live in the community, but only 36% of those aged 85 and over. Nearly half of males aged 85 and over with dementia still lived in households, compared with 32% of females in the same age group (AIHW 2007).

EACH Dementia

As might be expected, women outnumber men among recipients of EACH Dementia packages designed to enable people to receive specialised extra support at home (AIHW 2007).

Discussion

The incidence of mental and behavioural disorders tends to be lower among older Australians. Nevertheless, nearly a quarter take medication for their mental wellbeing. Older people with mental disorders are more likely to be socially isolated.

While the incidence of mental and psychological disorders is higher among women than men, the incidence of suicide is much higher among men—indeed men aged over 85 have the highest suicide rate of any cohort of Australians. On the other hand, dementia is more prevalent among women partly because of their longer life expectancy. While aged care services enable most dementia sufferers to live in the community at least until the later stages of the condition, as the susceptible population increases so too will the need for more informal carers and aged care services.

8 Safety

I've worked with elderly people ... I've also learnt the lesson of over-caring ... you've just got to be careful you don't kind of overprotect and erode people's independence too quickly, it's really important, because then they can feel incompetent ... I think one of the things is respect for your privacy and your space, you know, and certainly safe in your environment is to me very important.

(Waterhouse & Angley, p.15)

Many people, as they grow older, have difficulty in managing their own safety needs. Women especially feel unsafe even at home when they are alone and especially at night. Whether because of poorly designed and maintained public spaces, the volume and speed of traffic, physical access to public transport or their perceptions of crime, many also feel unsafe outside their own homes.

Older people may also be vulnerable to other dangers, especially if they experience perceptual, cognitive and physical deteriorations. Two dangers are elder abuse, most often perpetrated by family or other trusted people, and polypharmacy (multiple medications). In residential aged care facilities, individuals may fear co-residents or even staff, or retribution from management if they report abuse.

Accommodation safety

Older people may be unsafe even in their own homes. If homes have not been modified to meet the physiological changes of ageing, people they are often at risk of injury especially if they live alone. While there are actual risks, older people also perceive threats to their safety from the external environment. Feelings of safety may relate to people's perception of crime in their neighbourhood, their level of trust in the community and their sense of capacity to be in control (AIHW 2007). This is despite the fact that actual rates of robbery and assault are very low. Research shows that:

- 7% of older people do not feel safe at home alone during the day
- 16% of older people do not feel safe at home alone after dark.

Older people in residential aged care facilities also face risks, for example of abuse. However, the extent of this problem tends to be under-reported.

Community safety

Road safety

Many older people experience perceptual, cognitive and physical deteriorations associated with ageing, which affect their road safety. As a group they are more reliant on pedestrian travel; and because they are frailer they are at greater risk of death if hit by a motor vehicle. Older people are overrepresented among victims of both pedestrian and motor vehicle fatalities:

- In 2006, 227 older Australians died in traffic accidents, 14% of all road deaths (AIHW 2007).

Workplace safety

Ageing workers face specific occupational health and safety concerns (Australian Safety Council 2005). Although fitter workers presently appear to keep working longer than others, changing demographics will require a larger proportion of older people to remain in the workforce:

- Mature workers (over 45 years of age) will form more than 80% of the projected increase in the workforce between 1998 and 2016.

Other safety risks

Elder abuse

Another danger confronting some older people is 'elder abuse', defined as any act occurring within a relationship where there is an implication of trust, which results in harm to an older person'. It is likely that elder abuse is under-reported, but the available evidence suggests that:

- Some 20–40% of victims of elder abuse are men.
- In most cases, family members are the abusers.

Polypharmacy

One set of risks to older people often omitted from discussion lies in polypharmacy, the concurrent use of multiple medications, which increases with age. This risk is greater for people with low literacy or English language skills, as well as those suffering memory loss conditions or mental illness (AIHW 2007). Research shows that:

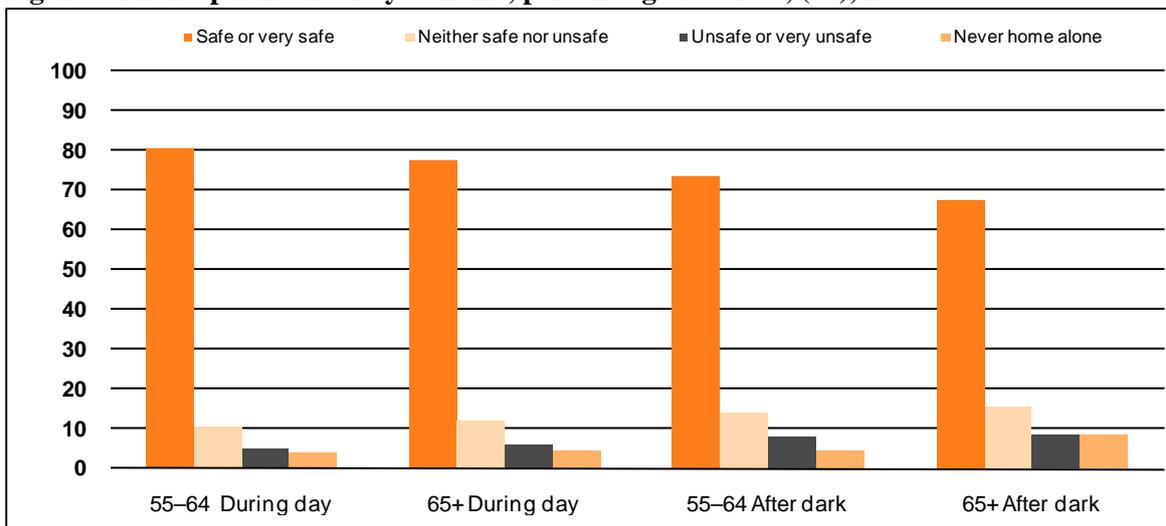
- Up to 25% of people aged 65 years and over used four or five medicines concurrently.
- For older people, around one in five unplanned admissions to hospital is medication-related.

Accommodation safety

Safety at home

Figure 8.1 indicates that in 2005, 80% of people aged 55–64 and 78% of people over 65 feel safe at home alone during the day, and slightly smaller percentages feel safe after dark. However it is of concern that around 5% of both age groups feel unsafe or very unsafe alone at home in daylight, rising to over 8% of those aged over 65 after dark. In addition, more males than females felt very safe at home after dark while twice as many females felt unsafe or very unsafe (AIHW 2007).

Figure 8.1 Perceptions of safety at home, persons aged over 55, (%), 2005



Source: ABS 2006b, Crime and safety, Australia, 2005, Cat. no. 4509.0.

Robbery and assault

Recent data indicate that the actual rate of crime victimisation among older people is much lower than their perceptions of personal safety. While data is not fully statistically reliable due to relative standard error, indications are that rates of robbery are just 0.4% for people aged 55–64 and 0.1%

for people aged 65 and over. Likewise, small numbers of older people are victims of assault: 2.3% of those aged 55–64 and 0.8% of those 65 years and over (ABS 2006b).

Safety in residential aged care

Abuse in residential aged care is an acknowledged risk to safety for some older people, but very little data is available. International evidence about abuse in residential services includes a recent report to the US Congress about a sample of nursing homes with cases of physical, sexual or verbal abuse or neglect by staff and resident-to-resident abuse (Committee on Government Reform 2001); and an analysis of calls to a British elder abuse helpline between 1997 and 1999 which found a quarter of calls referred to alleged abuse in hospitals or nursing/residential homes. Physical abuse or neglect were the most common complaints, with a handful of sexual assault cases. Nurses and care workers were the most common alleged abusers (Jenkins et al. 2001).

There has been no similar research in Australia. The Commissioner for Complaints' Annual Report 2004–05 indicates that about 100 out of 1,004 complaints were about 'abuse/restraint'. However, Minister Santoro's (2006) media release indicated that only 1% of around 6,000 contacts with the Complaints Resolution Scheme referred directly to abuse (Sadler 2006).

A concern was raised in evidence to the Senate Community Affairs References Committee in 2005 that abuse is under-reported because residents, families and staff members may fear retribution (whether that fear is well-founded or not) (Sadler 2006). In a literature review, the Commissioner for Complaints (2005) found the most commonly cited potential or actual barriers to reporting include the culture of institutional care; loss of power and self-esteem of the individual who fears or experiences retribution; the stressors of caring for vulnerable, frail and/or dependent adults; and inadequate skills, training and understanding of the non-professional paid carers in institutional environments (Sadler 2006).

Community safety

Road safety

Table 8.2 indicates that people aged 65–74 years are much more likely to die on the roads as a pedestrian than as a driver, and this increases to almost four times as likely beyond age 85.

Table 8.1 Road fatalities by road user type, persons aged 65 and over, (%), 2006

	65–74	75–84	85+	All 65+
Driver*	7	6	2	16
Passenger	4	3	2	9
Pedestrian**	11	12	8	31
Motor cyclist	1	1	<1	2
Cyclist	10	5	<1	15
Total fatalities	6	5	3	14
Total population	7	5	2	13

* Excludes deaths resulting from a medical condition such as a heart attack

** Includes deaths of drivers of motorised scooters

Source: Australian Institute of Health and Welfare 2007, *Older Australia at a glance*, 4th edn

Workplace safety

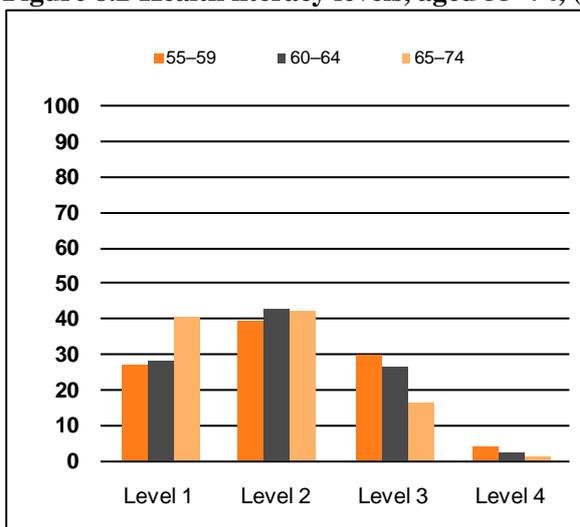
Mature workers, those over 45 years of age, will form more than 80% of the projected increase in the workforce between 1998 and 2016 (ABS 1999). Ageing workers face specific occupational health and safety concerns. These include decreased physical capacity, fatigue, increased rates of musculoskeletal disorders and greater incidence of disease (Australian Safety Council 2005).

Other safety risks

Health literacy

The ABS Adult Literacy and Life Skills Survey defined health literacy as the knowledge and skills required to understand and use information relating to health issues such as drugs and alcohol, disease prevention and treatment, safety, first aid, emergencies, and staying healthy (ABS 2006a). As Figure 8.2 shows, about 70% of people aged 55–74 were rated only at levels 1 or 2.

Figure 8.2 Health literacy levels, aged 55–74, (%), 2006



Source: ABS 2006a, Adult Literacy and Life Skills Survey: summary results 2006, Cat. no. 4228.0

Polypharmacy

A South Australian survey (Goldney & Fisher 2005) found that 25% of people aged 65 years and over used four or five medicines concurrently. This increases the risk of adverse events that can lead to hospitalisation. For older people, approximately one in five unplanned admissions to hospital is medication-related (AIHW 2007).

Elder abuse

‘Elder abuse is any act occurring within a relationship where there is an implication of trust, which results in harm to an older person. Abuse can include physical, sexual, financial, psychological and social abuse and/or neglect’ (Sadler 2006). It excludes crime or assault in the street or at home by strangers and discrimination in the provision of goods and services.

Elder abuse is probably under-reported, but the available evidence suggests that 20–40% of victims are men, a much greater proportion than for domestic violence among younger adults (Mears 1997). In most cases, family members (mainly children and spouses) are the abusers, with a minority of reported cases involving paid workers (Elder Abuse Prevention Unit 2005). In residential aged care, there are three possible categories of perpetrators of abuse: other residents, family members/friends, and staff. The most common forms of abuse are psychological and physical. The abusers are more likely to be men in cases of physical and psychological abuse, but women in cases of financial abuse or neglect (Mears 1997).

Discussion

Safety risks in older age are closely related to the vulnerability that accompanies deterioration of physical, perceptual and cognitive abilities. The increased risk in the oldest age groups is closely related to their reduced abilities. Risks are located both at home and in the wider community especially where planning, design and physical space do not conform to older people's needs.

9 Social participation and community engagement

In Fitzroy itself, you know, we're close to all the transport. We can just walk out and get on the tram, we can go anywhere ... don't have to worry about people taking us out and things like that. So we can go where we like, type of thing ... The other places you've got to go in a bus to ... go and do your shopping or things like that, where we don't have to do that sort of thing. So we're pretty independent, actually ... And also with meals, there's always places more or less to go: we've got Coolibah and House of Welcome and the Indian Sisters and those places. No-one need really go hungry.

(Waterhouse & Angley, p.15)

The level of social participation and community engagement among older people depends on a range of factors including health, mobility, geographical proximity, transport, community safety, access to technology, opportunity and personal preference. Active involvement can lead to better health outcomes:

Older Australians who are actively engaged in their community and have purpose and meaning in their life are healthier on average and may be less at risk of entering residential aged care (House of Representatives Standing Committee on Health and Ageing 2005, p.26).

Social isolation

Many older people are socially isolated from family and friends. This risk of isolation is greater for men and for those who live alone; and it increases with age (ABS 2007e). Some older people are disconnected even from visiting or socialising with friends. The ABS Social Survey found that:

- One in four people aged 65 years and over had not had face to face contact at least once a week with family and friends outside their own household
- More than 8% of people aged 75–84 years and living in the community had not participated in any informal social activities in the previous three months.

Many more older people do not participate in any community activities, although voluntary work and participation in civic activity can make an important contribution to people feeling socially connected and valued. The ABS Social Survey (ABS 2007e) found that:

- One in five people aged 65 years and over had not participated in any social or support groups in the past year.
- Two-thirds of people aged 55–74 years and more than three-quarters of those aged 75–84 years do not participate in voluntary activity.
- Some 59% of men and 57% of women aged 65–74 years were not engaged in any civic activity, compared with 82% of both sexes aged 85 years and over.

Access and mobility

Relinquishing one's driver's licence has a major impact not only on mobility and access but also on independence, choice and feelings of self-worth. Older women especially are less likely to have access to a car to drive (AIHW 2007). As a consequence:

- Nearly a quarter of people aged 65 years and over have difficulty accessing services due to transport barriers.
- One in five people aged 65 years and over, including more than half of those aged 85 years and over, cannot get easily to places as needed due to transport difficulties.

Access and use of information and communication technology

Information technology provides ever expanding opportunities to communicate, gather information, carry out business and access services. While use of personal computers and the Internet by older Australians is rapidly increasing, not all older people are included:

- In 2004–05, just 20% of people aged 65 years and over had used a computer at home in the previous 12 months
- Four-fifths of people aged 65 years and over have no home use of a computer and two-thirds have no access to the Internet (AIHW 2007).

Social isolation

Contact with family and friends

Table 9.1 shows that nearly a quarter (24%) of 2.5 million people aged 65 years and over living in the community had not had face-to-face contact in the previous week with family and friends with whom they did not live, and about 4% did not have *any* contact. More than a third of men aged 75–84 years (35%) had had no face-to-face contact in the previous week with family and friends, compared with less than one-fifth of women (18%).

Table 9.1 Contact at least once a week with family and friends living outside the household, persons aged 55 years and over, (%), 2006

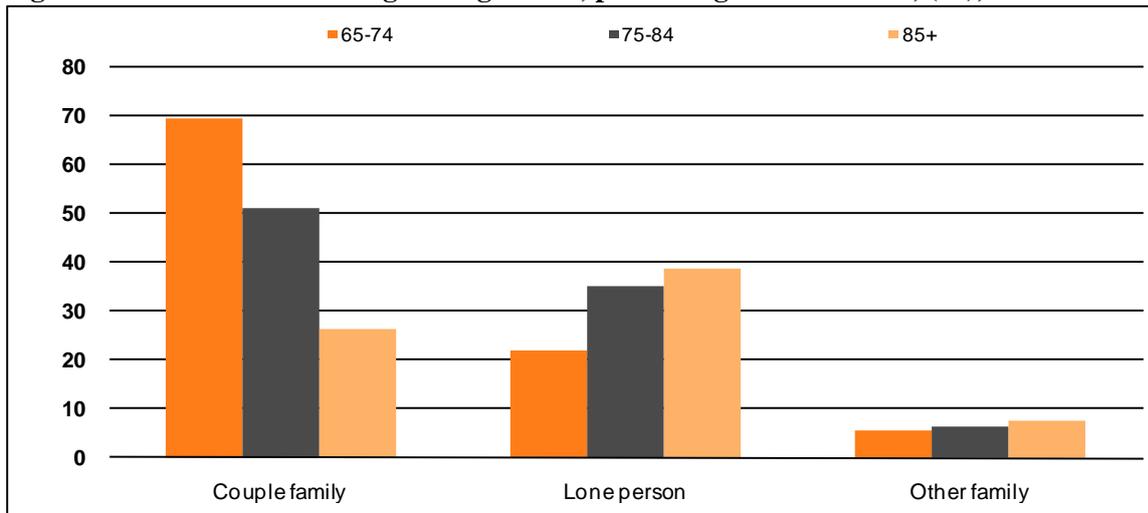
Age and sex	Any form of contact	Face-to-face contact
	%	%
Female		
55–64	96.4	82.0
65–74	96.0	82.4
75–84	96.7	81.0
85+	99.5	81.5
Total, females 65+	96.6	81.8
Male		
55–64	94.4	75.7
65–74	95.4	70.0
75–84	95.6	64.7
85+	89.0	83.1
Total, males 65+	95.0	69.0

Source: Australian Institute of Health and Welfare 2007, *Older Australia at a glance*, 4th edn

Living alone

As Figure 9.1 indicates, the likelihood of living alone increases with age. While only about one-fifth of those aged 65–74 years were living alone in 2006, this percentage almost doubled for those aged 85 years and over.

Figure 9.1 Most common living arrangements, persons aged 65 and over, (%), 2006

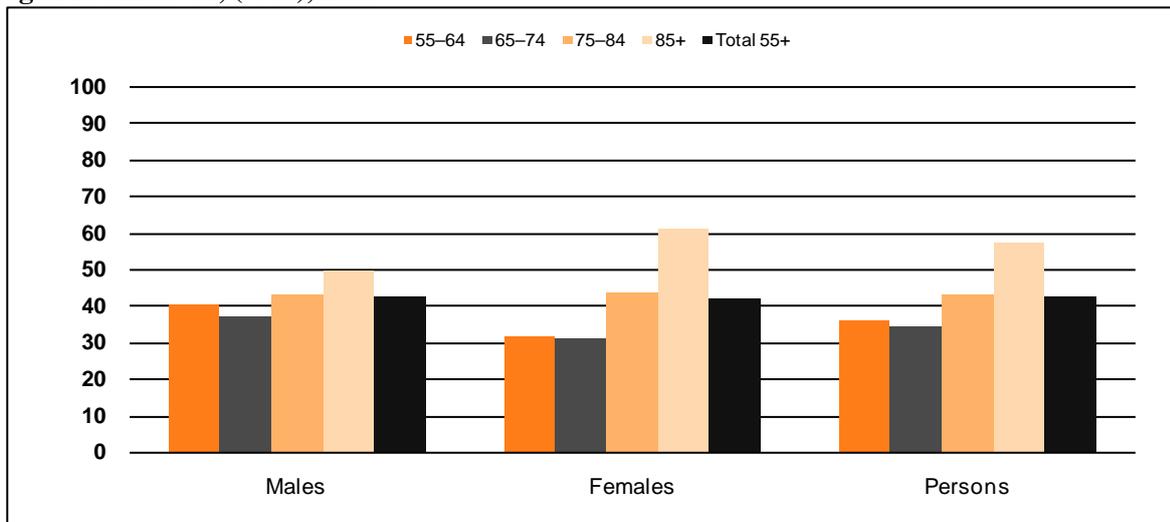


Source: Australian Institute of Health and Welfare 2007, Older Australia at a glance, 4th edn

Participation in social or support groups

Figure 9.2 indicates that in 2006, 43% of older people had not actively participated in one or more social groups during the previous 12 months. This non-participation rate varied from 34% for those aged 65–74 years to 57% of those aged 85 years and over.

Figure 9.2 No active involvement in social or support groups in the last 12 months, persons aged 55 and over, ('000), 2006



Source: Australian Institute of Health and Welfare 2007, Older Australia at a glance, 4th edn

Community and civic participation

While sizeable percentages of older people are actively involved in community and civic activities (see Table 9.2), almost two thirds report no such involvement. Active involvement diminishes with age, though a quarter of women are still involved in community organisations at ages 75–84

Table 9.2 Community and civic participation in the last 12 months, persons aged 55 and over, (N) & (%), 2006

	Active involvement		Engagement in civic activity
	in governance and citizenship groups	in community organisations	
	%	%	%
Males			
55–64	25.4	24.3	47.7
65–74	18.6	26.4	41.0
75–84	15.2	20.3	32.9
85+	**2.3	*20.8	*17.7
Total males 65+	16.3	23.9	36.6
Females			
55–64	19.9	32.0	53.9
65–74	12.5	30.8	42.9
75–84	9.6	24.0	28.9
85+	*5.8	*15.4	17.8
Total females 65+	10.7	26.7	35.1

Note *Estimate has a relative standard error of 25% to 50% and should be used with caution.

Source: Australian Institute of Health and Welfare 2007, Older Australia at a glance, 4th edn

Rates of volunteering differed only slightly between males and females aged 65–84 years, 26% and 29% respectively. However, two-thirds of people aged 55–74 years and more than three-quarters of those aged 75–84 years do not participate in this form of social engagement (AIHW 2007).

Voluntary work provides benefits to both the individual and the community. Volunteers in a 2006 survey reported personal satisfaction (44%), doing something worthwhile (36%), social contact (22%) and being active and using skills/experience (16%) as individual benefits, while helping others or the community was acknowledged as a current reason for volunteering by 57% of volunteers. More than 50% of both male and female volunteers over all older groups and in all labour force status groups gave 'helping others or helping the community' as a reason for being a volunteer (ABS 2007g).

Access and mobility

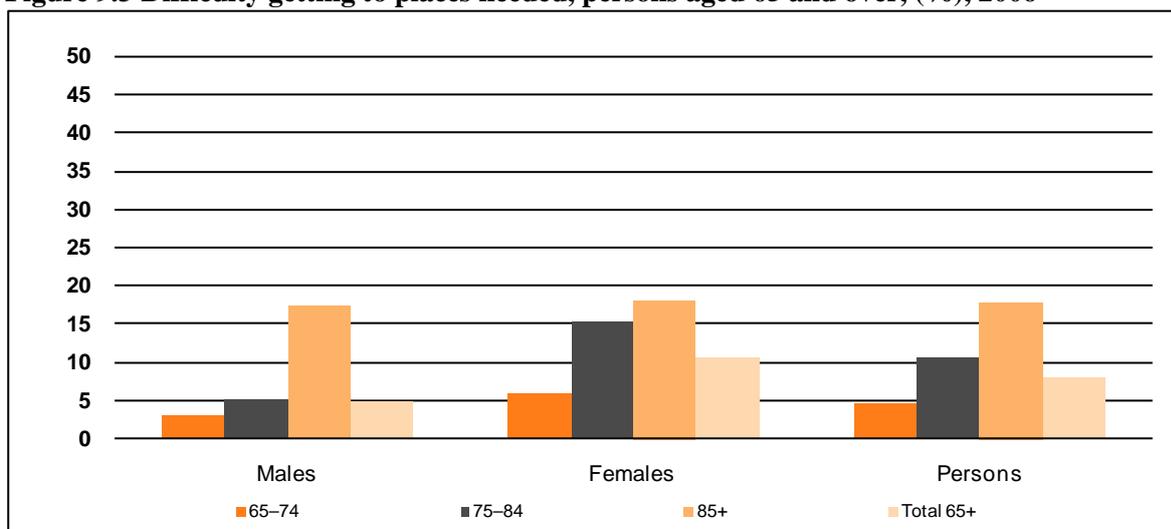
Access to services

A fit and healthy older person may have a wide choice of transport options; however, for those experiencing various age-related disabilities, choices become more limited. Lack of accessible transport can be a major cause of social isolation.

The ABS General Social Survey (GSS) shows that 20% of those aged 65 years and over cannot easily get to places as needed; and by age 85 years and over for men and 75–84 years for women, this becomes an issue for about one-third.

Barriers to accessing services

Figure 9.3 Difficulty getting to places needed, persons aged 65 and over, (%), 2006



Source: Australian Institute of Health and Welfare 2007, Older Australia at a glance, 4th edn

Limited transport or distance from services were the main reasons cited for people experiencing difficulties in getting around. Females reported slightly more difficulties than males. The rate of difficulty increases with age, with people aged over 85 reporting almost double the rate of those aged 65–74 (AIHW 2007).

Table 9.3 Difficulty accessing services, persons aged 65 and over, (%), 2006

	65-74	75-84	85+	65+
Difficulty accessing services				
Males	18	17	36	19
Females	18	23	26	21
Persons	18	20	30	20
Transport or distance as reason for difficulty accessing services				
Persons	7	10	16	
Persons with difficulty whose problems accessing services relate to transport or distance				
Persons	37	39	54	44

Source: Australian Institute of Health and Welfare 2007, Older Australia at a glance, 4th edn

Access to private transport

In 2006, 27% of people aged 65 years and over had no access to a car to drive. This rose steeply with age, to 68% of those aged 85 and over. Fewer older people in metropolitan areas (31%) had access to a car to drive compared with 78% in other areas. A higher proportion of older women (40%) have no access to a car to drive than older men (13%). Although over half of women aged 76–81 years in the Australian Longitudinal Study on Women’s Health drove a car as their main form of transport, around a quarter reported that their main transport was a car driven by someone else (AIHW 2007).

For those who are frail or have disabling health conditions, walking as a means of mobility also can be limited especially where the built environment is inhospitable, where public amenities are not accessible and where people live further from transport services than they have the ability to walk.

Access to non-private transport

Data on the use of public transport by older people is also limited, but suggests that they are not intensive users (Productivity Commission 2005). In a 2002 survey of household travel conducted in the Sydney Greater Metropolitan Region, only 10–11% of trips taken by older people were on

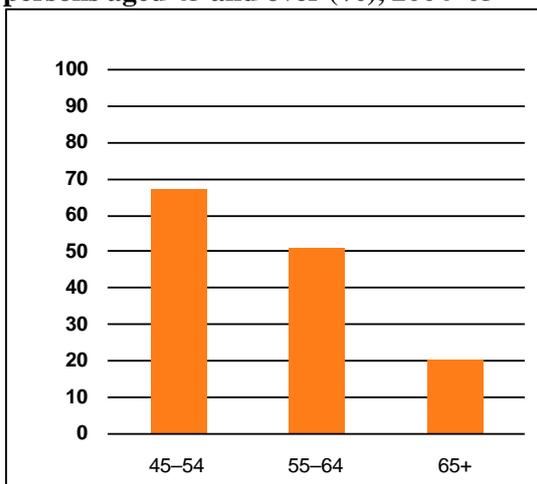
public transport (bus, ferry, rail or taxi) (Transport and Population Data Centre 2006). The most common reasons for older people not using public transport are difficulty getting into or out of vehicles (53%), difficulty getting to stops and stations (30%), lack of seating combined with difficulty standing (12%) and pain or discomfort (12%).

Access to information technology

In 2004–05, just 20% of people aged 65 years and over had used a computer at home in the previous 12 months (see Figure 9.4). For those who had used a computer, the most common purpose was personal or private (97%); and a notable percentage of this age-group (30%) used the computer for voluntary or community purposes (AIHW 2007). This suggests that there may be a strong correlation between volunteering and computer usage.

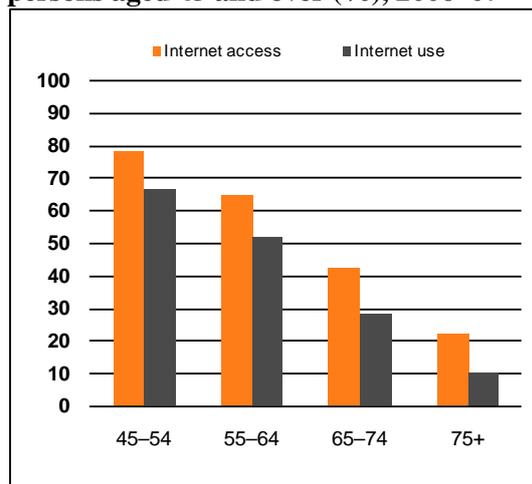
Internet access differs from Internet use in that although the Internet may be available to them, an older person is likely not to have used it. The disparity between access at home and actual use increases with age (Figure 9.5). For the 65–74 age group, only two-thirds of those who have access actually use the Internet, and just under half of those over 75 make use of their home access. Despite the increase in household Internet use between 2004–05 and 2006–07, the large majority of people aged 65 years and over used the Internet at home much less than those in younger age groups (AIHW 2007.)

Figure 9.4 Use of computers at home, persons aged 45 and over (%), 2004–05



Source: Australian Institute of Health and Welfare 2007, *Older Australia at a glance*, 4th edn

Figure 9.5 Internet access and use at home persons aged 45 and over (%), 2006–07



Source: ABS 2009b, *Australian social trends*, Cat.no. 4102.0

Discussion

Difficulty accessing transport increases mainly as a result of disabling health conditions rather than age itself. Physiological changes related to ageing make walking and driving more difficult, and may preclude driving altogether, although these changes are not uniform. Neurodegenerative diseases such as dementia affect concentration, geographical orientation, visuo-spatial skills, attention, information processing and problem solving, judgment, memory, reaction time and coordination (Hecker & Snellgrove 2002), which are all important capabilities for safe driving and for getting about independently, particularly in unfamiliar areas. Arthritis and other musculoskeletal conditions, hearing and vision loss, cardiovascular disease, and difficulties with balance can also affect a person's mobility options (ABS 2007e).

As people grow older, they are faced with deciding whether to maintain their driving licence. This is also a significant lifestyle decision. Relinquishment of a driving licence is considered by many to lead to a major loss of control of their own lives and greater dependence on others. With this come less flexibility and choice and usually reduced access to activities outside the home. For many, this

then contributes to feelings of lower self-worth, decreased quality of life and possible associated depression.

The Municipal Association of Victoria indicated that older people particularly looked to community transport options as an alternative to private or public transport (Productivity Commission 2005). National data was not available on the provision and effectiveness of community transport.

Many older people nominate voluntary work as an important form of social participation which provides a sense of doing something worthwhile, having social contact and being active. Yet more than two-thirds of older people do not engage in any form of volunteer activity outside the home. There is no publicly available data analysing the correlation between socioeconomic status and volunteering to discover whether disadvantaged older Australians are more or less likely to volunteer.

Analysis of 2006 Census data indicates that factors influencing Internet access include age, family composition, educational attainment and income. Older people, especially those on low incomes and with low educational attainment, are less likely to have access to computers or the Internet.

10 Concluding comments

While the traditional economic concept of poverty is focused on financial resources, primarily income and secondarily assets, this Social Barometer has drawn on the broader capabilities approach as first articulated by Amartya Sen. This is consistent with notions of social inclusion reflected in the presiding Labor government's Social Inclusion Agenda. From examination of the data through the lens of twenty-four indicators, we can conclude that there are significant numbers of older people in Australia who experience or are at risk of poverty and social exclusion in the eight domains covered by this research. Confluences of factors serve not only to reduce older people's income but also to constrain their ability to develop other resources, including the personal abilities to maximise the use of those resources that are available to them. That is, their capabilities are undermined.

It is important to note, however, that the term 'older people' is a slippery concept. Ignoring the relativities of various stages of the second half of life, the term is frequently used to encompass everyone aged from fifty to one hundred and one. Even setting aside individual characteristics, there tend to be considerable differences between the interests and needs of cohorts aged 50–65 and those aged 65–80 or 80–100, as the Australian Statistician recognised in the epithets 'Baby Boomer', 'Oldest' and 'Lucky' generations. Nevertheless, the tendency to compound the cohorts has allowed too much generalised thinking which, for example, is allowing the coming waves of retiring Baby Boomers to reach the end of their working lives ill-prepared for the long years post-employment that stretch ahead of them as life expectancy continues to rise. There is a pressing need for distinctions in government policy relevant to life stages: policy needs to be variously preventative, proactive and remedial according to the potential and vulnerability of older people as they prepare for and live through the multiple life transitions that take place during this fifty-year time span.

When the capacity for people to develop individual capabilities diminishes with age as obstacles accumulate in opposition—declining health and fitness, economic vagaries, complexity of a digital society, workplace discrimination, widowhood or divorce—it becomes too late for individual remedial action to make amends for previous deficits in education, employment, health and social opportunities. A large proportion of Australia's older people were denied the opportunity to complete secondary schooling, achieve post-school qualifications or obtain superannuation cover. Many were casualties of the recessions of each decade from the sixties to the noughties. It is not surprising, then, that considerable numbers of the Oldest and Lucky generations need assistance in a range of areas to enhance their social inclusion.

One of the most fundamental of these is housing. With the shortage of public dwellings, housing affordability and security are fundamental issues for disadvantaged older Australians. The impost of private rental on retirement income is the key contributor to social exclusion and a life lived in poverty. The data collected in this report tell us that, in Australia in 2009, excluding the Indigenous population, one of the most disadvantaged demographic profiles for a person to have is to be old, single, poor, female and in private rental accommodation. While there are considerable numbers of men who are old, single and poor, women's predominance in this demographic is boosted by their having shouldered the bulk of unpaid family and community caring responsibilities which reduced their earning capacity or even precluded their participation in further education or the workforce. And, of course, women tend to live longer; so whatever resources they have accumulated also need to last for longer. It has been well established that housing stress and homelessness contribute to deterioration of physical and mental health.

In an ageing population where nearly 100% of people report at least one long-term health condition, more than half have at least one disability and nearly one-third rate their health as fair to poor, it is not surprising that nearly half of people aged 65 years and over require some assistance to help them stay at home rather than entering an aged residential facility. The majority of these

people receive assistance from informal carers, mainly female partners or daughters and daughters-in-law, who are often thereby precluded from workforce participation.

Older people face a range of age-related safety risks. Among these is polypharmacy, the concurrent use of four or five medications. One in five unplanned admissions to hospital is medication-related. This risk is increased for those with low literacy or language skills and those with memory loss or mental illness, who also face greater risk of abuse in residential services and elder abuse (particularly financial) from family or friends. While the level of crime against older people is lower than many themselves perceive, their perceptions often result in fears about being alone. More common risks stem from traffic accidents either as drivers or pedestrians: older people are vulnerable because of perceptual, cognitive and physical deterioration together with increasing frailty which hinders recovery.

Each form of disadvantage outlined above detracts from older people's wellbeing. Experiencing even a few can have a profound effect on a person's participation in family and community life. As these compound, an older person is likely to have less and less contact outside their own home, which for those living alone can mean almost total isolation. Not only does a relatively low proportion of older people participate actively through recreational activities or voluntary work, but a quarter report not having had at least weekly face-to-face contact with family or friends from outside their own household.

Many older people report problems in accessing services especially due to transport difficulties. Many have no technological connectivity beyond the telephone. Lack of information and communications technology equipment and skills is disadvantaging older people in new ways as increasingly utility providers, banks and other businesses are charging a premium for providing paper copies of accounts or penalising people for paying over the counter.

All of this signifies that, for disadvantaged members of the Oldest and Lucky generations, social inclusion needs to be promoted through active and remedial policies and programs that increase capability by improving housing, health, safety and social participation.

For the Baby Boomers however, there is still time for remedial action through policies that enable them to acquire and accumulate resources as well as to convert them into capabilities not only for a life of wellbeing commensurate with the standards of their society in the present but also increasing their social inclusion in the future.

A compelling case can be made for more Baby Boomers to participate in the workforce and thereby enhance their own financial and social well being and benefit national productivity. Among older people in Australia, labour market participation is lower than for comparable OECD countries. The opportunity cost of non-participation is high. Moreover, being outside the workforce not only is usually coincident with low income, it also means being outside the reach of the Superannuation Guarantee and thus deprived of employer contributions to accumulating resources. This is a particularly salient factor for those in their later working years who are denied the opportunity to increase their retirement provisions.

Yet it appears that this low participation rate does not primarily reflect personal choice. Large numbers of people are outside the labour force through retrenchment and redundancy, ill health or reduced physical capacity, insecure housing or caring responsibilities which preclude them from regular working hours.

Despite such low labour force participation and ongoing skills shortages, very few people aged over 55 participate in any formal or non-formal education or training. There are a multitude of possible reasons for this: previous educational experiences have been unsatisfactory, existing educational qualifications are low or out of date, literacy and life skills levels are too low to cope with study requirements, insufficient resources and support are available, people have been

socialised to believe that they are too old to learn new skills and anyway believe that employers discriminate against older workers as often they do. Now is the time for policy makers to be gearing the nation up to make the most of this transformed life stage and entice mature age people into new and rewarding ten, twenty, even twenty-five year careers to carry them through to the higher Aged Pension eligibility age as it begins in 2017 to climb towards 67.

As we have seen, the overall picture that clearly emerges from this capabilities orientation is of significant interdependent factors which combine to create disadvantage among many older people in Australia. All the disadvantaging factors outlined above have the probability of combining in a myriad permutations and combinations to undermine an older person's capability. An accumulation of these factors can be exponential and lead to severe deprivation, especially among those who experienced disadvantage during their previous life course. The culmination may be income poverty but this cannot be resolved merely by increasing income. The capabilities approach tends to highlight the cumulative nature of social exclusion but it also points the way to achieving its opposite. Government action is needed to transform 'vicious circles' leading to 'deep exclusion' into 'virtuous circles' leading to inclusion through complementary and well-integrated policies and programs.

The Brotherhood of St Laurence believes that in Australian society there are four core life transitions that need to be successfully negotiated if people are to develop the sorts of capabilities needed to live a good quality life. Looking back through the Brotherhood's previous Social Barometers that examine the first three of these transitions—*The early years*, *Challenges facing Australian youth* and *The working years*—the evidence builds towards the conclusion that poverty among older people is not only fostered by the interdependence of a variety of factors but is often the result of disjunctions or failures at previous life transitions. While the past cannot be changed, there is policy scope for increasing opportunities for all cohorts of older people, the Oldest, the Lucky and the Baby Boomer generations, to increase their capabilities: to assist the younger older to provide for a dignified old age and in recompense to the oldest older people for previous lack of opportunity. Wise investment in people who will live their second fifty years in the 21st Century may well yield returns of unprecedented value for Australian society.

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