

MEDIA RELEASE

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Comprehensive approach needed to address housing stress as mortgage debt and housing stress jumps among older Australians

Figures released today showing the growing level of mortgage debt and housing stress among older Australians shows its time for a concerted national focus on housing reform and retirement incomes, the leading consumer advocate for older Australians said today.

The report by the Australian Housing and Urban Research Institute (AHURI) shows average mortgage debt for older Australians has grown 600 percent over the last 30 years, with nearly half of all homeowners aged between 55 and 64 still paying off a mortgage.

Council on the Ageing (COTA) Chief Executive, Ian Yates, said spiralling housing costs, lack of suitable housing options and under-investment in appropriate and affordable housing was causing financial insecurity and impacting on the mental health of an increasing number of older Australians.

“For older people a secure home can be the difference between good health and decline in health which is rarely factored into the housing debate,” Mr Yates said, “and having appropriate and secure housing is also an essential component of an effective retirement income policy”.

“Sadly, homelessness among older Australians, especially women, is increasing at an alarming rate as more people retire without owning their own home.

“In particular, older women are feeling the brunt of a system that’s not working for them; after a break in their careers to care for family; or because of a marriage breakdown; and with less superannuation behind them.

“This report from AHURI reveals how widespread housing stress is among older people, that its increasing, and is impacting every generation.”

Mr Yates said tackling housing stress requires a multifaceted set of policies at national, state and local government levels in a coordinated response led by the Federal government.

He said the effects of this new development would be felt down the line as our population ages, with increasing numbers of older people requiring Commonwealth Rent Assistance (CRA) and at risk of homelessness because they are unable to pay off their mortgage or afford private rents on low fixed incomes.

AHURI estimates the number of people eligible for CRA will increase 60 per cent by 2031.

“We also know that CRA has not kept pace with rent increases and rents are so high in many parts of Australia they aren’t affordable for people on the Aged Pension,” Mr Yates said.

“There is a real risk of a pattern developing of people using their superannuation to pay off mortgage debt, leaving them without enough funds to live on, which undermines the purpose and financing of our whole superannuation system.

“This report is more evidence of the urgent need for the Retirement Incomes Review to be comprehensive and take into account the whole range of public policy levers so we can make sure our retirement Incomes system is fair, sustainable and ensures all Australians can live with dignity as they age.”

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