

# The role of families in an ageing Australia

Families have a central place in the population ageing debate. This article looks at the role of families and the challenges they face in changing social and economic circumstances. It endorses a life cycle approach to responding to the challenges of population ageing.

*By the Seniors and Means Test Branch*  
Australian Government Department of Family and Community Services

**T**he ageing of Australia's population has received considerable attention in recent times as the social and economic implications of a changing population structure are more fully appreciated. Projections based on current trends indicate that the proportion of older people will grow substantially in coming decades, while the proportion of people of workforce age and younger will diminish. The only notable exception is for Indigenous Australians, who have a "young" population structure and a growing proportion of those of workforce age, mostly caused by high fertility rates and much lower life expectancy than for the total Australian population (ABS 2002a).

Much of the focus of public debate has been on workforce and budgetary issues, and the policy responses required to manage the potential challenges. What the population changes mean for families has received less attention, although a range of recent papers and submissions prepared by the Department of Family and Community Services (FaCS) have sought to highlight the social impacts on families of population ageing.

Families have a central place in the population ageing debate, and the role they play and the challenges they face in the changing social and economic circumstances is the focus of this article.

## **Population and family trends**

Fertility is falling as families are having fewer children and they are having them later in life. Life expectancy is also increasing. These phenomena are causing the Australian population to age.

There are two drivers of population ageing: numerical ageing and structural ageing. Numerical ageing is the absolute increase in the *number* of older people, primarily

caused by declining mortality. Structural ageing is the increase in the *proportion* of elderly, primarily the result of declining fertility. The difference between structural ageing and numerical ageing is important in terms of policy, because each will affect governments in different ways. For example, numerical ageing will drive up the demand for, and cost of, government payments and services, while structural ageing will constrain the ability of governments to meet the increased demand (Jackson 2001: 3).

Australian Bureau of Statistics (ABS 2003d) population projections indicate that while the Australian population is expected to continue to grow between the years 2002 and 2052, growth will be among the mature and older age groups. The main driver of future population trends will be the "ageing" of the large baby boomer group and the fact they are expected to have longer lives. The number of very old, those aged 80 and over, will increase substantially. A detailed discussion of these trends is presented in Weston, Qu and Soriano in this edition of *Family Matters*.

Demographic trends are seeing an increasing number of Australians having children at older ages than in the past. The ABS (ABS 2003a) reports that the proportion of couple families with children where the household reference person is aged 45–49 has increased from 13 per cent in 1986 to 16 per cent in 2001. In contrast, the proportion of couple families with children where the household reference



***Fertility is falling as families are having fewer children and they are having them later in life. Life expectancy is also increasing. These phenomena are causing the Australian population to age.***

person is aged less than 35 fell from 29 per cent to 20 per cent. (A household reference person is the person listed first on the ABS Census form, or, if this person is not the most suitable, is assigned based on age, marital status and relationship considerations.)

The changes will impact on the ability of people to save and to work, and will affect their savings needs. It is not safe to assume people in mature age will be “free” to save for their retirement – they may still have other family sup-

port obligations. The extent to which mature age people with dependent children are receiving family payments in the form of Family Tax Benefit (FTB) is shown in Figure 1. The Figure shows that in June 2002, 14.1 per cent of the Australian population aged 45–49 years were receiving a FTB payment, which is almost the same as the proportion aged 25–29 who are FTB recipients (16.4 per cent).

These demographic trends create both challenges and opportunities for families.

## Social and economic challenges

It is well known that population ageing creates challenges for our society. In a recent address, the Prime Minister, speaking at the Symposium on Mature Age Employment said, in response to the ageing of Australia's population, "Overwhelmingly, the answer has to be found in increasing workforce participation rates and, overwhelmingly, the obvious place to start regarding that is at the mature end of the workforce" (Howard 2003). Ken Henry, Secretary to the Treasury, in his address to the Melbourne Institute in February 2003, highlighted the need for participation to improve: "For 30 of the last 40 years, our principal macro-economic challenge concerned the unemployment rate. For all of the next 40, our principal economic challenge will be the participation rate" (Henry 2003).

The structure of the population directly impacts on the structure of the labour force. It is projected by the Retirement Income Modelling Unit of Commonwealth Treasury (Gallagher 2002) that, while the labour force will continue to increase, growth of the population of workforce age (15 to 64 years) will dramatically slow over the next 50 years. By the 2040s decade, growth in the number of people of workforce age is projected to be less than the growth experienced in the year 2000 alone – in 2000, growth was 146,000, in the 2040s decade it is projected to be 50,000 (Gallagher 2002). In addition, ABS (2003a) population projections assume that between 2001 and 2051, more than 90 per cent of workforce growth will be in the mature age groups (aged 45–64 years).

In short, there will be a smaller proportion of people of workforce age to support an increasing proportion of older

people. The age dependency ratio (the proportion of people aged 65 and over relative to people aged 15–64) is currently about 5.3 people of workforce age for every person aged 65 and over. By 2043, it is projected that there will be about 2.3 people of workforce age for every person aged 65 and over (ABS 2003d). This will, other things being equal, slow economic growth and therefore constrain governments' capacity to fund additional services.

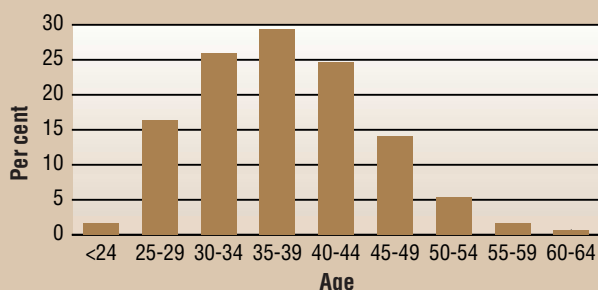
As the proportion of the Australian population that is older grows so does the proportion of adults requiring care. In addition, the trend towards having children at older ages will feed eventual dual care responsibility where parents have caring responsibilities for both their younger children and their elderly parents.

While it will be important to encourage people of workforce age to stay attached to the labour market, making it possible to combine work and family responsibilities will be critical, not only in helping to ensure fertility does not fall significantly further, but also to keeping mothers and mature age workers engaged in the labour market.

Another challenge posed by population trends will be to address the supply and demand for the community service providers in the areas of: child care, child protection and youth justice; and community services for: seniors, residential, housing, child health and development, disability and out-of-home care.

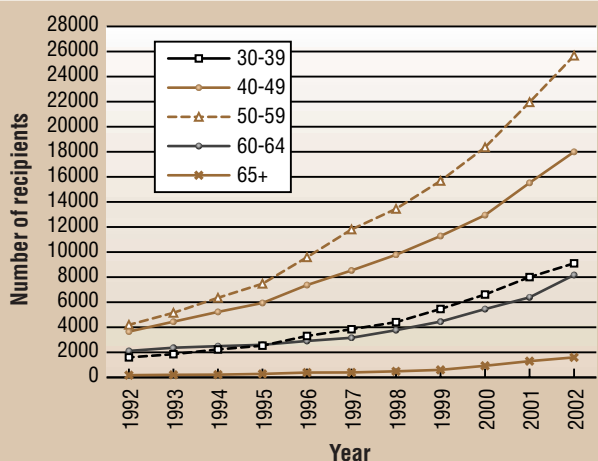
The Department of Family and Community Services endorses a life cycle approach to responding to the challenges of population ageing. The answer to addressing the policy challenges goes beyond focusing on the aged. As highlighted in a FaCS presentation to the 4th International Research Conference on Social Security: "Structural ageing of the population is the most significant systemic change affecting a wide range of policy settings that impact economically and socially on young people, families, people of working age, and those entering retirement and old age. It carries both risks and opportunities for family formation, fertility, care and social participation. Taking a lifecycle approach to structural ageing leads policy makers to develop multi-faceted responses that take account of the complex interactions between, for example, nurturing the young, whilst simultaneously taking care of the old. Retirement is also now viewed in lifecycle terms – as a transition in a working trajectory. It also seeks to place in context the role that government might play alongside the role of individuals and their families and the important roles of business and the wider community" (Jackson 2003: 4).

**Figure 1** FTB Recipients by age, as a per cent of population in each age group June 2002



Source: Wallace-Green 2003: 9.

**Figure 2** Carer Payment recipients by age, 1992-2002



Source: Wallace-Green 2003: 12.

## Current labour force trends

A number of labour force trends in Australia are cause for concern: many OECD countries have substantially higher participation rates for both men and women aged 25–54 years than Australia does; female participation rates are well below those of males, reflecting time out of the workforce due to parenting and caring responsibilities; migrants have lower participation rates; there is a trend for people to withdraw from the workforce early; participation declines markedly with age; and many mature aged workers face involuntary retirement (Jackson 2003).

Australia's participation rates for mature age people (55–64 years) are also below the OECD average for both men and women. Only 61 per cent of men aged 55–64 are employed; by 2011 this age group is expected to comprise 17.8 per cent of all working age men. Currently 40.8 per cent of women aged 55–64 are employed; by 2011 this age group is expected to comprise 18.2 per cent of all working age women. As the

population ages, mature age workers will form an increasing proportion of the workforce, and it is in this group in particular that participation rates need to increase. Another concern is the fact that lone-parent families represent 68 per cent of jobless families. (Jackson 2003 and ABS 2003c).

However, there are also some promising trends emerging. Female participation rates have significantly increased in recent decades, and the proportion of mature aged people (55–64 years) in employment has also increased, particularly women, to some extent due to increases in the level of part-time work. (ABS 1999 and ABS 2002c)



**Mature age people may increasingly find themselves in the position of having to work to meet financial obligations, to accumulate funds for their future retirement, and to care for their children or grandchildren and possibly their parents.**

The challenge will be to: boost the participation rate of mature age people; boost the participation rate of mothers;

boost the participation rate of sole parents; and maintain fertility to prevent further significant declines, which may otherwise put population at risk beyond 40 years (Jackson 2003).

### **Social policy challenges**

Some of the social implications of population ageing on families are identified in the FaCS (2002) Submission to the House of Representatives Standing Committee on Ageing *“Inquiry into long-term strategies to address the ageing of the Australian population over the next 40 years”*, of December 2002:

- *Demographic compression:* This occurs when key life events such as finding a partner, delayed birth of children, home purchase, and caring for parents, become compressed into a shorter space of the overall life cycle, placing greater demands on families. As noted, many mature age people still in the child rearing years may also face the caring needs of their parents.
- *Pressures on family formation, stability and fertility:* Key contributing factors include: the need for longer periods of education to prepare for entering a more highly-skilled labour market; the converging aspirations of both women and men to establish a career before having a family; the costs of housing and childrearing; longer periods before attaining the employment security and stability desirable to having children; and problems in balancing the achievement of work and family goals.
- *Social participation and wellbeing:* Demographic change highlights the following issues. Although most older people have active lives, there is a risk that the number (if not the proportion) of older people experiencing social isolation will increase with the growth of older age cohorts. A larger number of older Australians are likely to seek opportunities for volunteering. Older Australians prefer to “age in place”, but for people who do wish to move, high transaction costs and planning constraints may inhibit moving to more suitable housing. And shorter life expectancy and health problems impair the wellbeing of Indigenous Australians, and reduce economic participation and access to retirement savings.

### **Broad family caring obligations**

Mature age people may increasingly find themselves in the position of having to work to meet financial obligations, to accumulate funds for their future retirement, and to care for their children or grandchildren *and* possibly their parents. Weston, Qu and Soriano (2001: 5) discuss this multigenerational aspect of caring, and the possible constraints on capacity to provide care: “With delays in childbearing and increased life expectancy of their parents, those most likely to be facing multigenerational

responsibilities in the future may be older than the current cohort experiencing this situation – and perhaps be less able to provide practical assistance for health reasons or because of extended paid work commitments.” We can expect this pressure on mature age people to increase as the population ages (Jackson 2003: 14). These changes will place further pressures on families as they seek to balance work, child-rearing and caring responsibilities.

Demographic changes will potentially have an impact on caring trends. For instance, increases in life expectancy and an associated increase in the incidence of people with a disability, and the tendency for people to age in place, may have an impact on the caring responsibilities of family members. In addition, ageing carers of disabled adult children, once frail will themselves require dual care for themselves and their disabled children. This will potentially result in an increase in the demand for accommodation and alternative support for people requiring care. The workforce aspirations of women, who have traditionally played a significant caring role, will also affect caring trends.

In 1998, there were 2.3 million carers, both primary and non-primary carers. They provide care for children, partners, parents or others in need of care. More than half (1.2 million) were aged 45 and over (ABS 1998). Predominantly, older carers provide care to partners. Fifty-nine per cent of carers combine their caring role with paid work, the majority of which is full-time work. Most carers are in older working age groups (Jackson 2003: 14).

FaCS has seen a steady increase in the number of people receiving Carer Payment, who, because of their caring responsibilities, are unable to undertake substantial workforce participation. Significant increases have been recorded in the number of carers aged 40–49 and 50–59 years. As noted earlier, a significant number of people aged 40–49 have children. As at 2002, 0.62 per cent of all people aged 40–49, and 1.1 per cent of all people aged 50–59, were receiving Carer Payment. This is in some part due to demographic changes. Figure 2 illustrates this trend over the last decade.

As highlighted in an earlier FaCS paper (Wallace-Green 2003: 12): “The extent to which this trend continues, both in the FaCS customer population and the wider population, will depend on changes in other areas. For example, a fertility rate below replacement rate will mean that many individuals will enter old age without having the family support options available to those with children. In addition, increased workforce participation may diminish the number of carers available.”



## POLICY RESPONSES – NOW AND IN THE FUTURE

As discussed, the Department of Family and Community Services endorses a life cycle approach to responding to the challenges of population ageing. The following discussion focuses on four key issues: first, the importance of increasing the opportunities for economic participation; second, consolidating retirement incomes; third, supporting family formation and resilience; and fourth, responding to ageing communities.

### 1. Increasing the opportunities for economic participation

Despite recent economic growth, welfare dependence is increasing among people of working age. Without further action the number would be likely to continue growing in the coming decade. A number of measures recently implemented through *Australians Working Together* aim to forestall that growth, and improve the current relatively low rates of labour market participation among mature age people, women (particularly lone parents), people with disabilities, and jobless families.

*The priority for Australian welfare policy is to maximise opportunities for individual economic participation*

High levels of welfare dependence have significant economic and social costs for individuals, families and their communities. As part of the long-term process of welfare reform in Australia, the system has moved beyond the passivity of automatic payment of income support to a much more active and integrated policy approach which seeks to encourage and support people to participate in the life of the community through paid work, according to their capacity and potential.

A number of further strategies will also complement the welfare reform agenda by supporting economic and social participation. These include:

- *Promoting family stability* by reducing the incidence of jobless families particularly jobless couple families. Early intervention for children will also increase future rates of workforce participation and productivity.
- *Social partnerships with community and business*: These will create opportunities for people to participate both economically and socially. Employers who adopt more flexible employment, retention and recruitment practices that provide more opportunities for participation by an ageing workforce may derive substantial competitive advantage in the labour market.
- *Lifelong learning*: This will ensure sufficient education and learning opportunities are available over longer working lives to support adjustment to changing labour markets and continued social participation.

### 2. Consolidating retirement incomes

This section provides an overview of Australia's retirement income system; identifies people at risk of lower retirement incomes; and outlines current strategies and potential future directions.

*Australia's comprehensive "three-pillar" approach to retirement incomes is cost-effective and sustainable by international standards*

Australia has a retirement income system directed towards facilitating adequate retirement income outcomes. It consists of three components, or "pillars": one, age and service pension payments targeted through the income and assets tests (the means test); two, compulsory employer contributions through the Superannuation Guarantee; and three, voluntary superannuation and other private savings, including home ownership.

As at June 2003, around 80 per cent of people aged 65 and over received the Age Pension, Service Pension or other income support supplement. The retirement income system will evolve substantially in coming decades. By 2050, with a fully mature Superannuation Guarantee, it is expected that no more than 75 per cent of people aged 65 or over will receive Age/Service Pension or Income Support Supplement. Currently, just over half of the population aged over Age Pension age receive maximum rate Age Pension or Service Pension, and about 30 per cent receive a part pension. By 2050, one-third of the population over Age Pension age is expected to receive maximum pension, and about 40 per cent will receive a part pension (Treasury 2002). In other words, the majority of older Australians will still rely on Age Pension for a significant part of their income.

Earnings may also supplement retirement incomes for those people who can and wish to work, either on a part-time or casual basis, after retirement age, constituting a potential "fourth pillar" in the retirement income system.

Strategies to enable people to maintain labour force attachment are likely to represent a critical future policy response to structural ageing of the population.

*Women, and people who withdraw prematurely from the labour market, face lower retirement incomes*

The capacity of people to accumulate retirement savings depends on the period over which they have earned income and the level of their income (which determines superannuation contributions and how much they can save per annum). While retirement savings are generally increasing through rising superannuation coverage, two groups stand out as being less able to prepare for retirement.

The first group is women. Many women have had interrupted workforce participation due to childbearing and caring responsibilities, or have been working part-time, and therefore have had less opportunity to accumulate superannuation or other savings.

The second group is older people of working-age. Although the participation rate of older people is rising, it can be particularly difficult for those who lose a job to find employment. Some older workers are also vulnerable to incentives and pressure to take early retirement.

Other factors also influence levels of retirement preparation:

- *Family breakdown* can diminish wealth and result in some parents relying for long periods on income support

(particularly Parenting Payment) while they raise children, reducing their capacity to save for retirement and their ability to compete in the labour market.

- *Household savings:* while Australia's household sector net saving, relative to GDP, generally increased from 1959–1960 to 1974–1975, it has subsequently declined from a high of 11.1 per cent in 1974–1975 to 2.5 per cent (or \$16.9 billion) in 2000–2001 (FaCS 2003: 16).
- *Constraints on superannuation saving:* inability or disincentives for individuals and employers to continue making superannuation contributions past a certain age.
- *Community attitudes:* changing community attitudes to retirement have seen increasing numbers of people commencing retirement in their mid-50s. This increases the period of retirement their savings must fund. Longer periods in retirement will see a higher proportion of people starting retirement as self-funded retirees and coming onto Age Pension later in life.

Future policies may also need to address attitudinal and other reasons driving early retirement trends. The ABS survey on retirement and retirement intentions (1998) illustrates the reasons for mature age persons leaving the labour market. These data suggest that significant causes of involuntary early withdrawal from labour force participation include ill health and injury, and retrenchment. Common reasons for voluntary cessation of work include beliefs about age (for example, “too old”); reaching compulsory retirement age; and caring responsibilities.

### **Potential future directions**

While many mature age people not participating in the workforce contribute to society in other ways, such as through caring and volunteering, measures to enhance greater workforce participation into the future for these people is likely to represent a critical plank in Australia's overall policy response to structural ageing, including:

- *Promoting transitional retirement:* this could enable people to combine some workforce participation with other responsibilities and interests. Phased or transitional retirement allows for a gradual transition from full-time work to no paid work, providing flexibility to accommodate other responsibilities or interests, for example, caring responsibilities and volunteering. There is also potential for retirement incomes to be supplemented by earnings for those people who can and wish to work beyond Age Pension age, perhaps on a part-time or casual basis.
- *Attitudinal change:* promoting greater awareness among employers and the broader community of the knowledge and skills of older workers, as well as assessing and reviewing policies that either support early withdrawal from the labour market or prevent phased retirement.

### **3. Supporting family formation and resilience**

International evidence suggests that higher labour force participation need not be incompatible with higher fertility and family formation, providing the right mix of policies is in place to support parents' work and family choices.

*Increasingly, both social policy and workplace policy must help families to manage the tension between family formation and workforce participation*

Ameliorating the impacts of structural ageing will depend not only on the proportion of people participating in the labour market, but also on the productive capacity of those people. Improving work and family balance will increase social well-being by ensuring that people in their most productive years can deal more effectively with their roles as parent, employee and socially participating citizen. They will thereby be able to pursue relationships that sustain not just the economy, but families, communities and society generally.

Future assistance to families would seek to further ensure that:

- the decision to have children does not lead to marginalisation from the labour force;
- transitions between paid work and childbearing are smoother;
- families are able to create an environment conducive to child development and wellbeing;
- pressures of balancing work and family do not impact on relationship stability;
- the needs of people with multiple caring responsibilities are addressed; and
- the total fertility rate is not further significantly reduced.

*Reducing work-life conflict is particularly important in the light of compelling evidence of the importance of the early years of a child's life in shaping lifelong outcomes*

Strategies that reduce barriers to having and raising children provide an important contribution to the reduction of structural ageing in the long-term. Achieving better work and family balance and improving early childhood experiences will require continuing engagement of community, business and government.

### **4. Responding to ageing communities**

*One risk of structural ageing is an increasing number of older people experiencing social isolation*

Although most older Australians lead active, busy lives, numerical ageing is likely to increase the number (if not the proportion) of older people experiencing social isolation and loneliness. Major life events – such as retirement from paid work, moving house, a major illness or caring for an ill person, and bereavement – may contribute to isolation or reduce an older person's ability to join social activities. Women may be more likely to experience isolation given their propensity to live longer than men.

Other issues that may contribute to social isolation may include lack of awareness of information about community services, and cultural and/or religious or language barriers. Around one in five older Australians were born in a non-English-speaking country, and a proportion are unable to communicate effectively in English (Jackson 2001). The number of older people born in non-English-speaking countries will grow in coming decades as today's working-

age cohorts, with higher concentrations of people born overseas, move into older age.

***Structural ageing is likely to increase the number of older people wishing to participate in volunteering***

Community and non-profit organisations often recognise and use the knowledge, skill and wisdom of older people (see also deVaus, Gray and Stanton in this edition of *Family Matters*). In 2000, around 528,100 people over the age of 65 undertook volunteer work. Older Australians have made important contributions to the community and welfare, religious and health sectors (FaCS 2003). In particular, education, training and youth mentoring may provide opportunities for fostering intergenerational linkages, where the life skills of older people can be shared with younger generations.

While people in all age groups are participating more often in volunteer services, the number of older volunteers will also increase due to the growth of older cohorts. Increased social participation among older Australians has the potential to strengthen communities and reduce the risk of isolation for older people.

***Home ownership increases with age and reduces recurrent expenses for older people***

The tenure of households is strongly related to life cycle stages, generally following a pattern of renting in early adulthood, moving to home purchase and mortgages as partnerships are formed and children are born, and owning the home outright in older age. High levels of home ownership among older Australians provide low recurrent cost housing, resulting in better retirement incomes for the aged with relatively lower income support needs (ABS 1999a).

However, some older people in private rental do have relatively high recurrent costs. According to FaCS research, 6.4 per cent of elderly couple households, and 9.5 per cent of elderly single households, pay more than 30 per cent of their income in private rental costs. Older people comprise a large share of public housing tenants with almost 152,000 older people in public rental housing in 1999. Government subsidisation of rental costs alleviates some of the financial pressures for people with lower incomes.

***There are concerns that home ownership will decline into the future, but this trend is uncertain and remains too early to call***

The decline in home ownership has been most marked in the 25–34 year and 35–44 year age groups, with declines of close to nine and eight percentage points respectively from 1988 to 1997–1998. This trend has been related to a host of broader social and economic trends including younger people staying in education longer, delaying marriage, and having their first child later in life.

However, analysis by Mudd et al. (1999) suggests that home ownership rates of different age cohorts tend to converge as each cohort ages. In other words, at later ages the gaps in the rate of home ownership narrow as younger cohorts begin to “catch up” with older cohorts. For these reasons, and the relatively simplistic nature of much of the modelling which suggests longer-term declines in home ownership, FaCS considers that claims of a crisis in home ownership are not sustained, in particular in the light of the strong recent growth in first homebuyers.

Nonetheless, it will remain important for policy makers to monitor these trends into the future, as this may have implications for future retirement security and demand for public and private rental housing.

***Older people wish to “age in place” but can find obstacles if they decide to move***

Research by the Australian Institute of Family Studies (Winter 1999) highlights that older Australians have generally shown a strong preference to remain in their homes and to “age in place”. While older Australians generally want to retain their housing, there are also factors which prevent older people who wish to move from doing so.

One of these factors is the lack of flexibility, especially at a state/local government level with, for example, planning regulations that limit the type of housing that may be constructed. Another factor is the cost of transactions such as stamp duty on property transfers, which make moving to more suitable housing more expensive; home buyers may pay between \$2,900 to \$15,000 in stamp duties on the purchase of a median priced house.

***Structural ageing will drive changes in the housing market to better suit older people***

The right type of housing may become an increasingly important element of maximizing independence as people grow old. As noted by a range of commentators (for example, Kendig 1999), the building and construction industry may find a growing market in supplying housing that can be adapted to support a person throughout the life cycle. There may also be increasing demands for the provision of innovative housing solutions such as “cluster housing”, which provides independent stand-alone units supported by a network of domiciliary services and shared communal facilities.

### ***Current policy strategies***

***Older Australians have been identified as a key target group for the Stronger Families and Communities Strategy***

In response to the social and economic effects of ageing, the Australian Government’s Stronger Families and Communities Strategy seeks to encourage older people to remain engaged in the community by funding projects such as community gardens and volunteering. It seeks to ensure the provision of care between generations by funding projects that support grandparents who have caring responsibilities, including in Indigenous communities. And the strategy seeks to build social capital by supporting projects that bring community members together to identify local solutions to local issues, and by investing in leadership activities targeting non-traditional leaders such as older women.

### ***Current policy developments: housing***

The Commonwealth-State Housing Agreement (CSHA) provides funding to assist those whose needs for appropriate housing cannot be met by the private market. The key areas of focus under the current CSHA include structural ageing. The Commonwealth Rental Assistance program is a non-taxable income supplement payment added on to the pension, allowance or benefit of eligible income support customers, including older people who rent in the private rental

market. The Australian Government provides funding for the Supported Accommodation Assistance Program, which provides support accommodation services to the homeless, including older Australians.

Owner-occupied housing is treated favourably by the tax and social security systems.



## Demographic change will further reinforce the importance of family structures in the context of the economic and social challenges Australia will face.

### Potential future directions

The key to meeting the housing needs of older people in the future relates to choice and ability to change dwellings, affordability and

adaptability. Collaboration between government, the private sector and the community sector will be important. A range of possible policy interventions could be made including:

- *adaptable housing*: a greater focus on innovative housing services, which can more easily meet the aspirations of older people to “age in place”;
- *using home equity*: initiatives to allow aged homeowners to access the equity in their home, and which overcome previous low rates of acceptance of such products; and
- *reducing costs*: including transaction, conveyancing duty and other costs associated with moving house to meet changing life cycle circumstances including older age.

### Conclusions

Demographic change will further reinforce the importance of family structures in the context of the economic and social challenges Australia will face. In particular, increasing workforce participation is necessary to help Australia to boost economic growth and manage the impacts of demographic change. It will be important to ensure that policies that support work and family balance contribute to put a “floor” under current fertility levels so they do not fall significantly further.

Further research is needed to enhance understanding of the emerging and future needs of families, but in the meantime it is clear that Australian families will need support to be able to balance workforce participation and caring obligations, and that policy responses will need to recognise that caring obligations will be diverse.

### References

- ABS (2003), *Australian Labour Market Statistics*, Catalogue No. 6105.0, July, Australian Bureau of Statistics, Canberra.
- ABS (2002a), *Australian Social Trends*, Catalogue No. 4102.0, June, Australian Bureau of Statistics, Canberra.
- ABS (2003a), *Australian Social Trends*, Catalogue No. 4102.0, June, Australian Bureau of Statistics, Canberra.
- ABS (2001), *Births*, Catalogue No. 3301.0, October, Australian Bureau of Statistics, Canberra.
- ABS (2003b), *Child Care*, Catalogue No. 4402.0, June, Australian Bureau of Statistics, Canberra.
- ABS (1999), *Children, Australia: A Social Report*, Catalogue No. 4119.0, February, Australian Bureau of Statistics, Canberra.
- ABS (2002b), *Deaths 2001*, Catalogue No. 3302.0, December, Australian Bureau of Statistics, Canberra.
- ABS (1998), *Disability, Ageing and Carers, Summary of Findings*, Catalogue No. 4430.0, Australian Bureau of Statistics, Canberra.

ABS (2003c), *Labour Force Australia*, Catalogue No. 6202.0, August, Australian Bureau of Statistics, Canberra.

ABS (2002c), *Labour Force Civilian Population*, Cat No. 6291.0.40.001, Australian Bureau of Statistics, Canberra.

ABS (2003d), *Population Projections Australia 2002-2101*, Catalogue No. 3222.0, September, Australian Bureau of Statistics, Canberra.

ABS (1989), *The Labour Force, Australia, historical summary 1978 to 1989*, Cat No. 6204.0, Australian Bureau of Statistics, Canberra.

ABS (1999a), *Older People, Australia: A Social Report*, Cat. No. 4109.0, Australian Bureau of Statistics, Canberra.

FaCS (2003), *Inquiry into long-term strategies to address the ageing of the Australian population over the next 40 years*, Submission to the 2003 House of Representatives Standing Committee on Ageing, October, Occasional Paper No. 8, Department of Family and Community Services, Canberra.

FaCS (2002), *Submission to House of Representatives Standing Committee on Ageing “Inquiry into long-term strategies to address the ageing of the Australian population over the next 40 years”*, December, Department of Family and Community Services, Canberra.

FaCS (2002a), *Submission to Senate Select Committee Inquiry into Superannuation and Living Standards in Retirement*, July, Department of Family and Community Services, Canberra.

Gallagher, P (2002), “Intergenerational change in Australia: Economic, fiscal and financial implications”, APS Futures Forum, 13 August.

Henry, Ken (2003), “Address to the Melbourne Institute’s 40th Anniversary Dinner”, Melbourne, 7 February.

Howard, John (2003), “Address to the Symposium on Mature Age Employment”, Sydney, 27 August.

Jackson, Natalie (2001), *The Policy-Maker’s Guide to Population Ageing: Key Concepts and Issues*, Policy Research Paper No. 13, June, Department of Family and Community Services, Canberra.

Jackson, Wayne (2003), “A lifecycle approach to demographic change in Australia”, Address to the Fourth International Research Conference on Social Security, Antwerp, 5-7 May.

Kendig, H. & Neutze, M. (1999), “Housing implications of population ageing in Australia”, in Productivity Commission and Melbourne Institute of Applied Economic and Social Research, *Policy Implications of the Ageing of Australia’s Population*, Conference Proceedings, Ausinfo, Canberra.

Mudd et al. (1999), “Some issues in home ownership”, Strategic Policy and Analysis Branch, Commonwealth Department of Family and Community Services, Paper presented at Department of Family and Community Services Seminar *Australia’s Housing Choices: Stability or Change?*, February.

OECD (2002), *Babies and Bosses: Reconciling Work and Family Life: Volume 1: Australia, Denmark and the Netherlands*, Organisation for Economic Cooperation and Development.

Treasury (2002), *Submission to Senate Select Committee on Superannuation Inquiry into Superannuation and Standards of Living in Retirement*, July, Commonwealth Department of the Treasury, Australian Government, Canberra.

Treasury (2002a), *Intergenerational Report 2002-03*, Budget Paper no. 5, Commonwealth Department of the Treasury, Australian Government, Canberra.

Wallace-Green, Andrea (2003), ‘Family policy challenges and opportunities arising from population ageing’, Paper prepared for the 8th Australian Institute of Family Studies Conference, Melbourne, 12-14 February.

Winter, I. (1999), “Home ownership and social policy in an ageing society”, *Family Matters* No. 52, No.52 Autumn, pp. 9-11.

Weston, Ruth, Qu, Lixia & Soriano, Grace (2001), *Ageing Yet Diverse: The Changing Shape of Australia’s Population*, Briefing Paper No. 10, Australian Institute of Family Studies, Melbourne.

**The authors** from the Seniors and Means Test Branch of the Australian Government Department of Family and Community Services acknowledge the comments received from colleagues in the Department.