



Chapter

2

Family and household structure

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2 Family and household structure

Key points

- In 2009–10 there were approximately 8.4 million households in Australia: 74% were family households; 23% were lone person households and 3% were group households.
- Close to half (44%) of Australia's 6.3 million co-resident families were couples with children; 40% were couples without children and 14% were one-parent families. The number of couples without children is growing at a faster rate than any other family type.
- One million children aged 0–17 years (21%) had a natural parent living outside their household in 2009–10.
- Around 665,000 people aged 25 years or over lived with one or both parents in 2009–10, without a partner or child of their own in the household. This group accounted for 10% of 'children' living in families in 2009–10, up from 7% in 1997.
- More than half of all children in one-parent families were aged 15 years or over, compared to a third of those in couple families. The number of children aged under 10 years living in one-parent families declined between 1997 and 2009–10; however, the number of dependent students aged 15–24 years in one-parent families rose considerably.
- Australians are marrying at older ages than in the past—the median age at marriage in 2009 was 31.5 for males and 29.2 for females. More than three-quarters (77%) of people who married in 2009 had lived together prior to marriage.
- Rates of outright home ownership fell from 42% in 1994–95 to 33% in 2009–10, while the percentage of households with a mortgage rose from 30% to 36%.
- Almost a quarter (24%) of households rented from a private landlord in 2009–10, compared to 18% in 1994–95.
- Public housing tenancy was most common among one-parent families with dependent children (13% in 2009–10) and people living alone (7%).
- Housing tenure is strongly related to age. In 2009–10, private rental was the dominant form of tenure for households with a reference person aged less than 35 years; for those aged 35–54 years ownership with a mortgage was most common; and the majority of households in which the reference person was aged 55 years or over owned their home outright.
- Between 1976 and 2007–08, the average number of bedrooms per dwelling increased from 2.8 to 3.1, while the average number of residents decreased from 3.1 to 2.6.

2.1 Introduction

Households, including both family and non-family households, play a critical role in facilitating personal wellbeing. People living together provide social, material and financial support which affects the need for welfare services (see, for example, the discussion of informal care in Chapter 7). Further, many services are delivered to entire families or households rather than discrete individuals, so an understanding of the structure of these families and households is important in the planning and delivery of welfare services.

At a population level, family structure is related to the welfare of children and young people. For example, research studies have found poorer child outcomes across a number of dimensions for children living in non-intact families, while family socioeconomic status (SES) is linked to early childhood development and social outcomes among young people (AIHW 2009; Mance & Yu 2010; and Chapter 4 of this report). Therefore understanding the composition of different family types, including how and why this is changing, is an important starting point in any consideration of population wellbeing.

More broadly, the structure of households is changing. The number of households in Australia is projected to reach between 11.4 and 11.8 million by 2031 (ABS 2010a), at least 3 million households more than the 2009–10 number (8.4 million; ABS 2011c). While family households (with or without children) will remain dominant, the greatest relative increase is anticipated among lone-person households, which are projected to account for between 3.0 and 3.6 million households in 2031.

Most of the projected growth in lone-person households over the next two decades is associated with population ageing (ABS 2010a; see Chapter 1 for information about Australia's ageing population). Given that rates of disability are higher among older people (Chapter 1), and informal care by household members accounts for a large part of the support provided to people with disability (Chapter 6), increasing numbers of older people living alone may add to the demand for formal care services, including home-based aged care services.

Demand for housing—generally, or for housing of particular types and in specific locations—has implications for housing affordability, as well as for civic and workforce planning. The relationship between housing tenure and household income is discussed in Chapter 3, while Chapter 9 provides more information about government programs aimed at addressing problems of housing affordability. Financial pathways to homelessness associated with affordability problems are investigated in Chapter 8.

The analysis presented in this chapter is limited to people living in households (private dwellings). While this remains the dominant living arrangement—21.6 million Australians (around 96%) lived in households in 2009–10 (ABS 2011c)—it is important to recognise that many people live in other types of residences, both short and long term. Living arrangements described elsewhere in *Australia's welfare 2011* include:

- residential and facility-based out-of-home care for children and young people (Chapter 4)
- juvenile justice facilities (Chapter 4)
- institutional care and group homes for people with disability (Chapter 5)
- residential aged care facilities for older people as well as some younger people with disability (chapters 5 and 6)
- boarding houses, hostels, youth refuges, emergency accommodation, as well as people with non conventional accommodation (Chapter 8).

Box 2.1: Statistical classification of families

Concepts of what constitutes a family vary widely—some people may consider their family to be related individuals who live together, while others include extended relatives living elsewhere, or unrelated individuals in close relationships.

The information presented in this chapter draws on statistics from a range of ABS collections, and uses the concept of family defined in *Family, household and income unit variables, 2005* (ABS 2005). Here, a family is classified as:

Two or more persons, one of whom is at least 15 years of age, who are related by blood, marriage (registered or de facto), adoption, step or fostering, and who are usually resident in the same household. The basis of a family is formed by identifying the presence of a couple relationship, lone parent-child relationship or other blood relationship. Some households will, therefore, contain more than one family.

Different types of families are identified based on the presence or absence of couple relationships, parent–child relationships, child dependency relationships and other relationships. Four broad family types are discussed in this chapter:

- couples with children (including couples with co-resident adult children who are not themselves married or parents to another member of the household)
- couples without children (including couples who have children that do not live in the same household)
- one-parent families (including individuals with co-resident adult children who are not themselves married or parents to another member of the household)
- other families (such as adult siblings living together in the absence of both parents).

Couples with or without children include both opposite-sex and same-sex couples.

A ‘child’ in a family household is a person of any age who is a natural, adopted, step, foster or nominal son or daughter of a couple or lone parent usually resident in the same household. A child is also any person aged under 15, usually resident in the household, who forms a parent-child relationship with another member of the household. People classified as a child in a family household exclude those with a partner or child of his/her own in the household—in this case, a separate family is formed. The ABS classifies ‘children’ living in family households as either dependent or non-dependent (ABS 2005):

- A *dependent child* is a child aged under 15 years of age; or child aged 15–24 years and attending a secondary or tertiary educational institution as a full-time student. The latter group are separately referred to as *dependent students*.
- A *non-dependent child* is a child who is aged 15 years or over, is not a full-time student aged 15–24 years, and who has no partner or child of his/her own in the household.

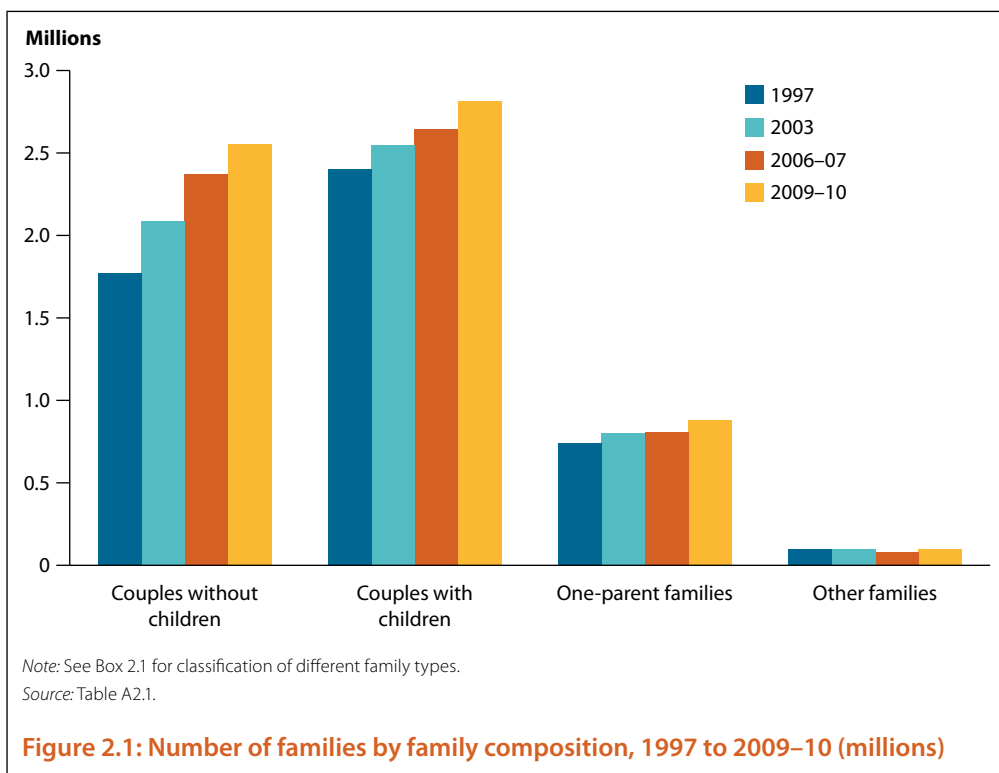
These are general classifications used for statistical purposes. Non-dependent children may still receive support (material or non-material, including financial) from their parent(s) or other members of the household, depending on individual and family circumstances.

Source: ABS 2005.

2.2 Family composition

Of the 8.4 million households in Australia in 2009–10, almost three-quarters (74%) were family households, while 23% were lone person households and the remaining 3% were group households (ABS 2011a). The large majority (96%, or 6.1 million) of family households contained a single family (defined in Box 2.1), although 244,000 families lived in multi-family households.

Two in five Australian families (40%, or 2.6 million) were couples without children (Figure 2.1). This group is projected to become the dominant family type by 2013 or 2014, in part due to increasing numbers of ‘empty nesters’ as higher life expectancy results in more people living together to older ages than in past generations (ABS 2010a). For example, in 2009–10, for more than half (53%) of all couple families without children the female partner was aged 55 years or over (ABS 2011a: Table 4.1).



A small majority (58%) of families comprised a parent or parents with one or more children: just over 2.8 million families (44%) were couples with children, while there were 0.9 million one-parent families with children (14%). Fewer than 2% of families were classified as ‘other families’—for example, adult siblings living together in the absence of both parents.

Between 1997 and 2009–10 the total number of Australian families grew by 1.3 million, or 27%. More than half of the additional families added over this period were couples without children (Figure 2.1).

Families with children

There were almost 7.0 million children living in 3.7 million families in 2009–10, including dependent students and non-dependent adult children (Table 2.1). Around 60% of children living in families were aged less than 15 years; 30% were aged 15–24 years and 10% were aged 25 years or over. By comparison, people aged 25 years or over living with one or both parents comprised 7% of ‘children’ living in families in 1997 (ABS 1998).

One in five children (20%) lived in a one-parent family in 2009–10 (Table 2.1). One-parent families were more likely than couple families to include adults living with their parent(s): 19% of children in one-parent families were aged 25 years or over, compared to 7% of children in couple families. Conversely, fewer than half of the children living in one-parent families and almost two-thirds of those in couple families were aged under 15 years. Box 2.2 explores the circumstances of adults who have not left home in more detail.

Indigenous children were more likely than non-Indigenous children to live in a one-parent family—around one in three (34%) Indigenous children aged 0–14 years lived in a one-parent family in 2008 (ABS 2011b). However, a relatively high proportion of Aboriginal and Torres Strait Islander families shared households with other families, especially in *Remote* areas. In 2008, 16.5% of Indigenous households in *Remote* areas, and 7% overall, contained more than one family (ABS 2011b). In comparison, only 1% of non-Indigenous households were multiple-family households.

Table 2.1: Children living in families, by age, 2009–10

	Couple families		One-parent families		Total	
	'000s	Per cent	'000s	Per cent	'000s	Per cent
0–14 years	3,488	63.0	686	48.4	4,174	60.0
15–24 years	1,653	29.8	463	32.7	2,116	30.4
25 years and over	398	7.2	267	18.9	665	9.6
Total	5,539	100.0	1,417	100.0	6,955	100.0
All children in families (%)	–	79.6	–	20.4	–	100.0

Note: See Box 2.1 for the classification of ‘children’ for statistical purposes.

Source: AIHW analysis of ABS 2011a: Table 6.1.

Three-quarters (77%, or 5.4 million) of the people classified as ‘children’ living in families in 2009–10 were dependent children, including 1.2 million dependent students aged 15–24 years (Table 2.2). Between 1997 and 2009–10 the number of dependent children living in couple families grew by 13%, while the number living in one-parent families increased by 7%. Notably, there were fewer children aged 0–9 years living in one-parent families in 2009–10 compared to 1997. This may be in part due to the declining divorce rate and increasing duration of marriages prior to separation observed in recent years (see the following discussion on divorce).

Another significant trend is the relatively large increase in the number of dependent children aged 15–24 years: the period 1997 to 2009–10 saw a 33% increase in the number of dependent students living in the family home (Table 2.2). Trends in participation in education among young people are explored further in chapters 3 and 4.

Box 2.2: Young adults who have not left home

According to the ABS Family Characteristics and Transitions Survey, 1.0 million young adults aged 18–34 years had never left the family home and lived with one or both of their parents in 2006–07. Close to half (44%) of all young people aged 18–24 years were in this situation, compared to 5% of those aged 25–34 years.

Another 0.3 million people aged 18–34 years had never left home but did not live with their parents (for example, because their parents had moved away or died).

Of those who had never left home and lived with one or both of their parents, 43% cited financial reasons as the main reason for their decision, while 37% said convenience or enjoying living at home was the main reason.

Source: ABS 2009a.

Table 2.2: Number of children and dependent students^(a), by family type, 1997 to 2009–10 ('000s)

	1997	2003	2006–07	2009–10	% change
Couple families					
0–4 years	1,088	1,043	1,133	1,261	15.9
5–9 years	1,055	1,048	1,061	1,105	4.7
10–14 years	1,055	1,047	1,079	1,122	6.4
15–24 years	737	849	870	951	29.0
Total	3,935	3,987	4,143	4,439	12.8
One-parent families					
0–4 years	204	199	150	177	–13.2
5–9 years	258	261	235	243	–5.8
10–14 years	246	292	290	266	8.1
15–24 years	160	188	209	245	53.1
Total	868	940	884	931	7.3
All families					
0–4 years	1,292	1,242	1,283	1,438	11.3
5–9 years	1,313	1,309	1,296	1,348	2.7
10–14 years	1,301	1,339	1,369	1,388	6.7
15–24 years	897	1,037	1,079	1,196	33.3
Total	4,803	4,927	5,027	5,370	11.8

(a) Dependent students aged 15–24 includes only *full-time* students at secondary or tertiary educational institutions.

Source: ABS 2011a: Table 6.1.

Family formation and dissolution

Marriage

Couple families, with or without children, include those in a registered marriage as well as those in de facto relationships (including same-sex couples). Between 1989 and 2009, rates of registered marriage declined from 7.0 to 5.5 per 1,000 population (Table 2.3). At the same time, the median age at marriage increased by 3.5 years for both males and females. Around one in five people entering into a registered marriage in 2009 had previously been married (22% of males and 20% of females). Discussion of the statistics relating to divorce and children in step and blended families follows.

Table 2.3: Selected marriage indicators, 1989–2009

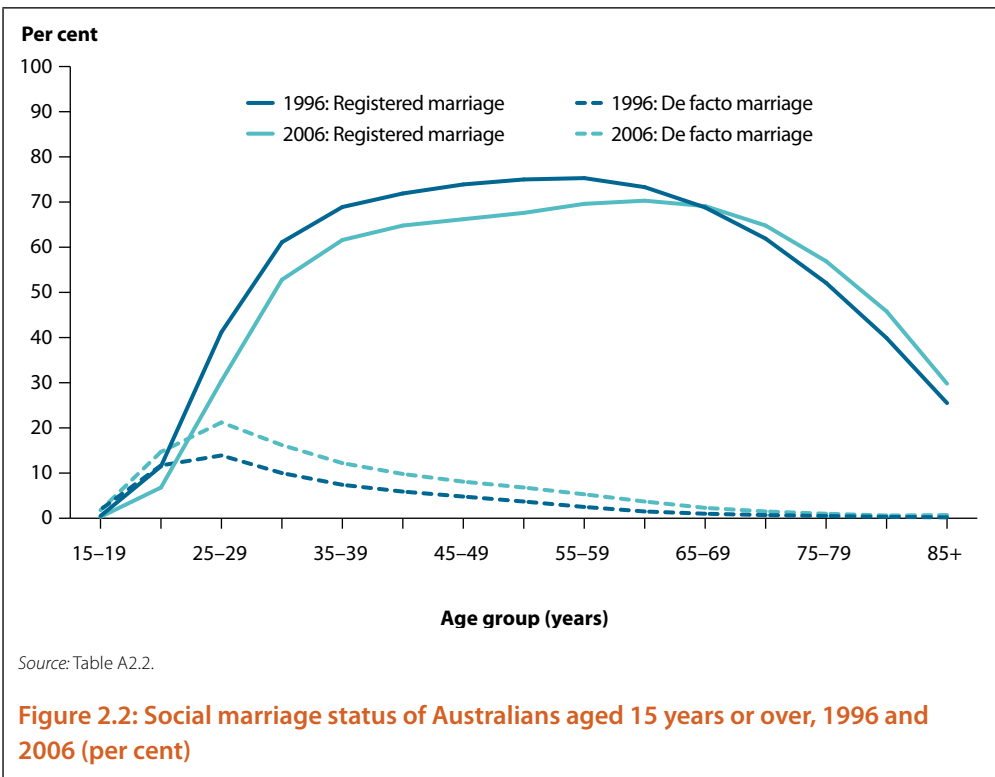
	1989	1994	1999	2004	2009
Number of registered marriages	117,176	111,174	114,316	110,958	120,118
Crude marriage rate ^(a)	7.0	6.2	6.0	5.5	5.5
Median age at marriage (years)					
Males	28.0	29.0	30.1	31.5	31.5
Females	25.7	26.6	27.9	29.2	29.2
Previously married (%)					
Males	23.9	24.0	24.2	24.4	21.9
Females	22.8	22.9	23.4	23.1	20.2

(a) Per 1,000 population, excluding males aged under 18 years and females aged under 16 years.

Sources: ABS 1995, 2009d, 2010b.

De facto relationships have become increasingly common in Australia. According to the Census of Population and Housing, 9% of Australians aged 15 years or over were living together in a de facto marriage in 2006 (including same-sex couples), compared to 6% in 1996 (ABS 2006). De facto marriage was most common among younger people: in 2006, 21% of people aged 25–29 years and 15–16% of those aged 20–24 or 30–34 years were in a de facto relationship (Figure 2.2). In contrast, fewer than 1% of people aged 65 years or over were in a de facto relationship.

It is likely that many couples in a de facto relationship will go on to enter a registered marriage, as cohabitation prior to marriage has also become increasingly common. In 2009, more than three in four couples (77%) entering a registered marriage had previously lived together, compared to two in three couples (69%) two decades earlier (ABS 2010b).



Divorce

Younger Australians are more likely than earlier generations to have experienced family breakdown due to parental divorce during childhood or adolescence. In 2006–07, around one in four adults (24%) aged 18–34 years had experienced the divorce of their parents before they reached the age of 18. In comparison, fewer than one in 10 people aged 55 years or over had undergone a similar experience (ABS 2009a).

Almost 50,000 divorces were granted in 2009—a rate of 2.3 per 1,000 population (Table 2.4). The crude divorce rate has been generally falling since 2001, when it was 2.9 per 1,000 population. The rate in 2008 (2.2 per 1,000 population) was the lowest recorded since the introduction of the *Family Law Act 1975* changed the grounds under which divorce could be granted (ABS 2009d).

The two decades to 2009 saw an increase in the median duration of marriage (from date of marriage registration to final separation), from 7.3 to 8.7 years (Table 2.4). The median age at divorce also rose by 6 years for both males and females. Just under half of all divorces in 2009 occurred between couples with children aged under 18 years; this proportion has declined since 1989.

Table 2.4: Selected divorce indicators, 1989–2009

	1989	1994	1999	2004	2009
Number of divorces	41,383	48,312	52,566	52,747	49,448
Crude divorce rate ^(a)	2.5	2.7	2.8	2.6	2.3
Median duration of marriage ^(b) (years)	7.3	7.6	7.9	8.7	8.7
Divorces involving children (%)	55.3	52.4	53.9	49.8	49.1
Median age at divorce (years)					
Males	38.0	39.7	40.9	43.0	44.4
Females	35.1	36.8	38.2	40.3	41.5

(a) Per 1,000 population, excluding males aged under 18 years and females aged under 16 years.

(b) Duration to final separation.

Sources: ABS 2009d, 2010b.

Children with a natural parent living elsewhere

Although most Australian children live in intact families, 1 million children aged 0–17 years (21%) had a natural parent living elsewhere during 2009–10 (ABS 2011a). In the large majority of cases (81%) this was their father. Teenagers were more likely than young children to live in non-intact families: 30% of young people aged 15–17 years had a natural parent living elsewhere, compared to 12% of children aged less than 5 years old.

While many of these children saw their non-resident parent on a regular basis—55% once a month or more often—a quarter (24%) saw their non-resident parent less than once per year or never.

Step and blended families

A stepfamily comprises a couple and children from a previous relationship of either partner, but no natural or adopted children of the couple together. In 2009–10, 3% of children aged 0–17 years lived in step families (164,000 children). When a couple in a stepfamily have children of their own (adopted or natural), this is known as a blended family. There were 266,000 children aged 0–17 years in blended families in 2009–10 (5% of all children aged under 18; ABS 2011a: Table 8). The percentage of children living in step or blended families did not change markedly between 1997 and 2009–10.

Children and young people living outside their birth families

While the large majority of children and dependent young people live with one or both of their natural parents, some do not live with their birth families. These arrangements may be permanent or temporary, and can be divided into the following broad categories:

- adoptions
- out-of-home care, in which children and young people aged under 18 years are placed in residential care, foster care or relative/kinship care overseen by state or territory child protection authorities
- informal care, such as children and young people living with grandparents without formal arrangements negotiated through the child protection system.

Chapter 4 provides more detailed information about adopted children and those living in out-of-home care.

2.3 Housing tenure

Owner-occupied housing has long been the most common form of tenure in Australia. In 2009–10, more than two-thirds (69%) of Australia's 8.4 million households were owner occupiers—slightly more with a mortgage (3.0 million households) than without a mortgage (2.7 million households owned outright; ABS 2011c). Around 24% of households rented from a private landlord and 4% lived in housing provided by a state or territory housing authority.

Between 1994–95 and 2009–10 the proportion of households that were owner-occupiers fell slightly, from 71% to 69% (Figure 2.3). However, there was a considerable shift within this group: until 2003–04 more households owned their homes outright than had a mortgage. Over the period 1994–95 to 2009–10 the share of households that were paying off a mortgage rose from 30% to 36% while those owned outright fell from 42% to 33%. A higher proportion of households rented privately in 2009–10 compared to 1994–95 (24% and 18% respectively), while relatively fewer were renting from a state/territory housing authority (5.5% and 3.9% respectively).

Characteristics of households renting from a public housing authority are discussed in detail in 'Chapter 9 Housing assistance services'.

Box 2.3: First homebuyer trends

Almost 1 million households were recent homebuyers in 2007–08, meaning that they had purchased a home within the previous 3 years. More than two-thirds (68%) had purchased a home previously, with the remaining third (32%) being first homebuyers (ABS 2009b).

In the ABS Survey of Income and Housing (SIH), a first homebuyer household is defined as a household in which the reference person (or their co-resident partner) bought their home in the 3 years prior to the survey, and neither that reference person nor their co-resident partner had owned a home previously.

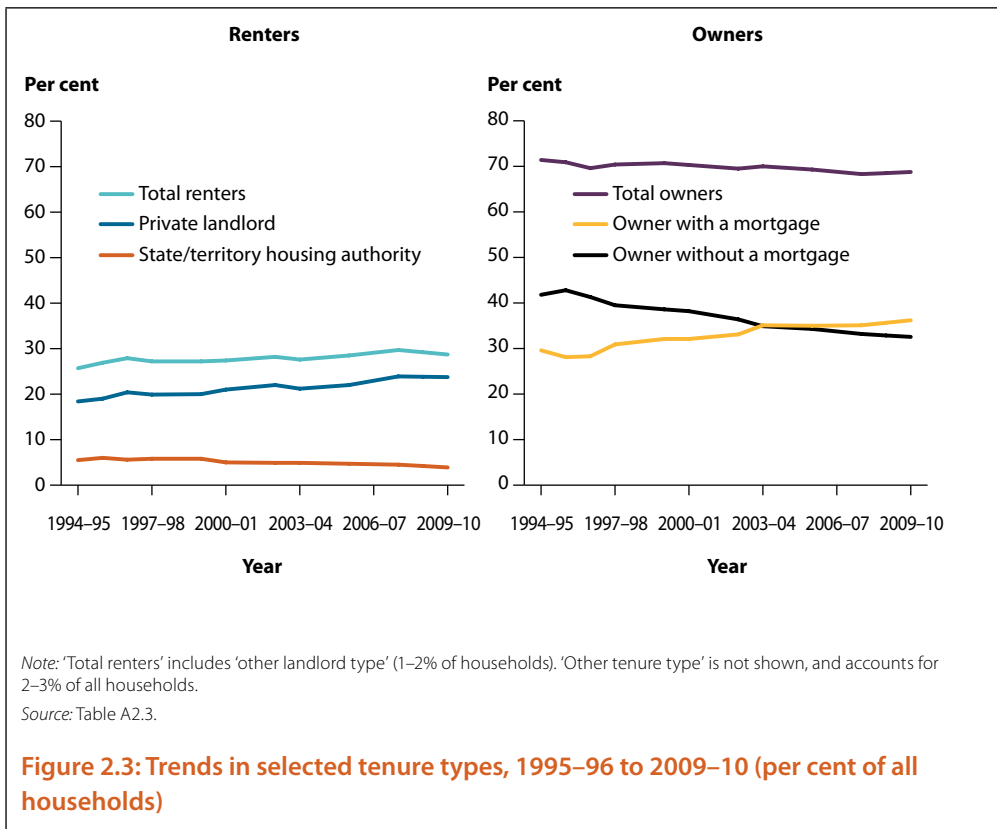
In 2007–08 there were 318,000 first homebuyer households, of which 92% (292,200) had a mortgage. First homebuyers with a mortgage accounted for 10% of all owner-occupiers with a mortgage compared to 16% in 1995–96. The remainder of this box is limited to first homebuyers with a mortgage.

Between 1995–96 and 2007–08, the average age of the reference person in first homebuyer households did not appreciably change, fluctuating between 31 and 33 years. One-third (33%) were couples without children while another third (32%) were couple families with dependent children. Around one in five (22%) first homebuyers were lone-person households.

First homebuyers were disproportionately represented among higher income households: almost two-thirds (64%) had an equivalised disposable household income (see Glossary) in the top 40% of the population. On average, housing costs for first homebuyers accounted for 26% of gross household income.

Notable first homebuyer trends in recent years include an increased tendency to purchase flats, units and apartments (19% of dwellings in 2007–08 compared to 7% in 1995–96), and established rather than new dwellings—23% of first homebuyers had purchased a new dwelling in 1995–96, compared to 9% in 2007–08.

Source: ABS 2009b.



Variations in housing tenure by household composition

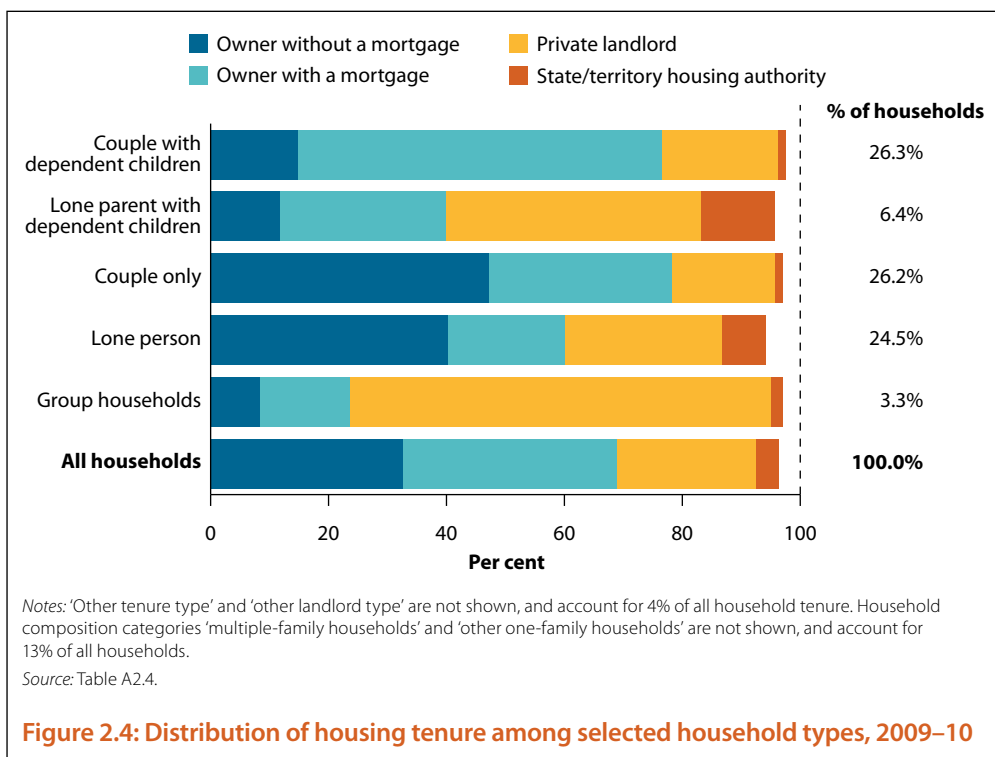
A range of individual and market factors affect housing tenure including cost, supply, household structure, expectations of future economic security, investment decisions, personal preferences and lifestyle choices.

At the population level, the influence of household structure is evident in patterns of tenure that vary between different types of family and non-family households (Figure 2.4). In 2009–10 the majority of couples with dependent children were paying off a mortgage (62%)—a higher proportion than any other household type. Over a quarter (26%) of all households were made up of couples with dependent children and had, on average, 2.0 employed persons and 1.9 dependent children (ABS 2011c: Data cube table 12). One-parent families with dependent children had an average of 1.8 dependent children per household but only 0.9 employed persons, and consequently less capacity to pay housing costs. These families were disproportionately represented among tenants of state/territory housing authorities (13% reported this tenancy type in 2009–10); they were also more likely than average to be renting from a private landlord (43%, compared to 24% of all households).

Households with no children (which accounted for more than half of all Australian households) had relatively high rates of outright home ownership: 47% of couple-only households and 40% of lone-person households were owners without a mortgage. Lone-person households also had almost twice the average usage of public housing, with 7.4% renting from a state/territory housing authority in 2009–10 (Figure 2.4). Patterns of tenancy among childless households were strongly related to age, as shown in the following discussion.

Box 2.4: The 'reference person' in household statistics

The information about housing tenure and household composition presented in this chapter was collected in the ABS Survey of Income and Housing, which is a survey of Australian households conducted approximately every 2 years. It is sometimes useful to compare households based on the characteristics of their members, such as age or employment status. The Survey of Income and Housing facilitates this by identifying a 'reference person' for each household, chosen as being most likely to be representative of the household. In households with more than one member, the reference person is identified by considering the tenure, relationship and parental status, income and age of all household members aged 15 years or over. For more information, see the Survey of Income and Housing user guide (ABS 2009c).

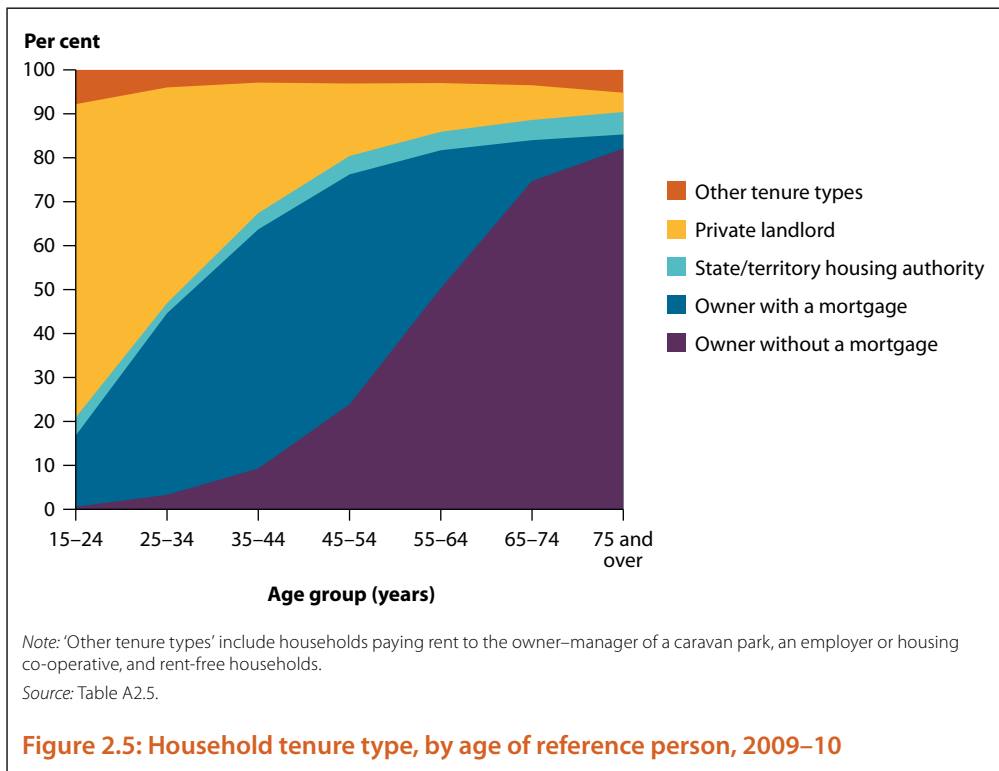


Housing tenure across the life cycle

Household composition varies across the life cycle. For example, in the majority of family households with dependent children the reference person was aged 15–44 years (62% of couple families and 66% of lone parent families) (AIHW analysis of ABS 2011c: Table 14A). In comparison, lone person and couple-only households were most likely to have a reference person aged 55 years or over (57% and 58%, respectively). In almost three-quarters of group households the reference person was aged 15–34 years.

Figure 2.5 shows the change in patterns of housing tenure across the life cycle. In 2009–10, the age of the reference person generally correlated with a different form of housing:

- private rental was the dominant form of tenure for persons aged less than 35 years
- ownership with a mortgage was most common from 35–54 years
- outright home ownership applied for the majority of households with persons aged 55 years or over—including 82% of households in which the reference person was aged 75 years or over.
- Tenancy with a state/territory housing authority was most common among households where the reference person was aged 75 years or over—5% of these households rented from a state/territory housing authority, while 4% rented from a private landlord.



Home ownership contributes a large part of the wealth of many households, so higher rates of home ownership among older age groups mean that wealth tends to accumulate over the life cycle. Such wealth can then be used to support household expenses, as income typically falls after retirement. These patterns will be further explored in 'Chapter 3 Economic participation'. As with income and wealth, consumption needs tend to vary between people at different life stages, and these include housing costs. Younger couples and singles were more likely than older households to be paying off a mortgage, and more likely to be renting from a private landlord, while older occupants had higher usage of state or territory-provided housing (discussed further in Chapter 9).

These patterns indicate that older people are generally more likely than younger people to have relatively low housing costs. However, older people also tend to have lower incomes than younger people, so housing affordability can be a significant concern for people of retirement age with relatively high-cost housing, such as renting from a private landlord (see Box 2.5). Further, people who are unable to attain home ownership during their working life are at risk of experiencing housing affordability problems or dependence on social housing as they age. This group includes lower income workers and people outside the labour force for an extended period of time, such as people with disability and informal carers of 'traditional working age'. Lower female engagement in full-time work (Chapter 3) means that this group is also likely to disproportionately include women.

Housing tenure of Indigenous Australians

In contrast to the general population, rental accommodation was the dominant form of tenure for Aboriginal and Torres Strait Islander people. In 2008, 69% of Indigenous households were renters, and almost half of these (23% of all households) rented from a state/territory housing authority or Indigenous or mainstream community housing organisation (ABS 2011b). Around three in ten (29%) Indigenous households were owner occupiers—20% with a mortgage and 9% without a mortgage.

Housing tenure varied by remoteness, with only 10% of households in remote areas owning their home (outright or with a mortgage), and 44% renting from an Indigenous or mainstream community housing organisation (ABS 2011b).

Detailed information about the housing needs of Indigenous Australians, including social housing policies and programs targeted at Indigenous people, is provided in 'Chapter 9 Housing assistance services'.

2.4 Housing occupancy

The size of Australian households has been steadily decreasing for decades, from an average of 3.1 people per household in 1976 to 2.6 in 2009–10 (ABS 2010c; ABS 2011c). If current trends continue, the ABS projects that households will have an average of 2.4 to 2.5 people in 2031 (ABS 2010a). Indigenous households, however, tend to be larger, with an average of 3.4 residents per household in 2008 nationally—and 4.1 residents per Indigenous household in remote areas (ABS 2011b).

While the average number of people per household has been falling, the average number of bedrooms per dwelling has been rising. In 1976 the average dwelling had 2.8 bedrooms, and 17% had four or more bedrooms. In 2007–08 the average was 3.1 bedrooms per dwelling and 29% had four or more bedrooms. Almost one-quarter (23%) of two-person households and 10% of lone-person households had four or more bedrooms in 2007–08 (ABS 2010c).

The currently accepted standard by which the dwelling size requirements of a household are measured is the Canadian National Occupancy Standard (CNOS; Box 2.6). While most Australian households have sufficient bedrooms for their residents, a small percentage are considered to be overcrowded. In 2007–08, 2.6% of households were one or more bedrooms short of the occupancy standard, given their composition. Among households with five or more members, 17% were considered to be overcrowded (ABS 2010c).

Box 2.5: Older people with high housing costs

Most older Australians own their home outright: 76% of people aged 65–74 years and 80% of those aged 75 years or over lived in owner households without a mortgage in 2007–08 (Figure 2.4). Around 6% of people aged 65 years or over lived in state/territory-provided housing, in which rental payments are tied to tenants' income. Consequently older Australians—especially older couples—tend to have relatively low housing costs. People aged 65 years or over in lone-person households spent, on average, 11% of gross income on housing costs and those in couple-only households spent 4%. By comparison, the average cost of housing for all households combined was 13% of gross income.

However, for the minority of older people living in private rental accommodation, housing costs can be very high—particularly for lower income older people, such as Age Pensioners. Housing costs accounted for 34–37% of the gross income of renter households in which the reference person was aged 65 years or over.

Older people living alone

While the majority (69%) of people aged 65 years or over living alone in 2007–08 owned their home without a mortgage and 11% lived in state/territory provided public housing, one in ten (more than 75,000 people) rented from a private landlord and 3% (around 23,000 people) were home owners with a mortgage.

The average housing costs for older people living alone in private rental accommodation accounted for 37% of their gross income. Among the subset of this group with lower incomes (45,000 people), housing costs comprised 44% of their gross income (see Chapter 3 for definitions of 'lower-income' households).

Older couples

Almost nine in 10 (86%) couple-only households in which the reference person was aged 65 years or over owned their home outright. However, 4% rented from a private landlord and 6% had a mortgage on their home. Older couples renting privately spent an average 34% of their gross income on housing costs.

Older people paying off a mortgage

Households with a mortgage in which the reference person was aged 65 years or over tended to have lower housing costs than mortgagees generally. In 2007–08 older home owners with a mortgage spent 9–12% of their gross income on housing costs, compared to 18% for the average household with a mortgage. The median housing costs for these older mortgage holders was around \$45–57 per week, compared to \$335 per week across all mortgaged households, suggesting that older people with a mortgage tend to have low balances outstanding on their debt.

Source: ABS 2009b.

Box 2.6: Canadian National Occupancy Standard (CNOS)

The CNOS measures the bedroom requirements of a household based on the number, sex, age, and relationships of household members. It specifies that:

- no more than two people share a bedroom
- parents or couples may share a bedroom
- children under 5 years, either of the same sex or opposite sex may share a bedroom
- children under 18 years of the same sex may share a bedroom
- a child aged 5 to 17 years should not share a bedroom with a child under 5 of the opposite sex
- single adults 18 years and over and any unpaired children require a separate bedroom.

Indigenous households have comparatively high rates of overcrowding. In 2008, one in four Indigenous people aged 15 years or over, and around one-third of children aged less than 15 years, lived in a dwelling that fell short of the housing occupancy standard (ABS 2009e). Overcrowded housing was more prevalent in remote areas—almost half (48%) of Indigenous people aged 15 years or over residing in remote areas lived in dwellings that required one or more extra bedrooms to meet the occupancy standard. Indigenous overcrowding rates did not change significantly between 2002 and 2008 (ABS 2011b).

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