

Australian Social Trends December 2010

Australian households: the future

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Living arrangements are important for individuals and communities. Much of the nurturing, care and support received by people is given by family members within the same household, and as such, families are often seen as the building blocks of society.

Recent rapid population growth has led to a renewed focus on the projections of the population. By 2031, the population of Australia is projected to be over 28 million. A closely related question to the size of the future population is how will household and living arrangements change?

This article looks at historical trends in living arrangements and uses household and family projections to examine a range of possible scenarios for future living arrangements for Australian households.

Future households

In 2006, there were a total of 7.8 million households in Australia. By 2031, the number of households is projected to grow to between 11.4 and 11.8 million.

Whilst the number of households is projected to increase, the average number of people within each household is projected to decline from 2.6 in 2006 to between 2.4 and 2.5 people per household in 2031. The decrease in the average number of people within households means that the number of households is projected to grow faster than the overall population.

The projection of an extra 3.8 million households between 2006 and 2031 (Series II) represents growth of 1.6% per year, while the population is projected to grow by an average 1.3% per year over the same period.

Data sources and definitions

This article is based on data from ABS [Household and Family Projections, 2006 to 2031](#) (cat. no. 3236.0) which presents projections for households, families and living arrangements.

Projections are not predictions or forecasts, but are illustrations of growth and change in Australian households which would occur if assumptions about Australia's population were to prevail over the projection period.

Three main series have been produced based on the trends in living arrangement propensities (or likelihood to be in a certain household type) in the population between 1991, 1996, 2001 and 2006 Censuses. Projections of households, families and living arrangements in Australia are in turn based on ABS projections of the population's size, age structure and geographical distribution (see Series B from: ABS [Population Projections, Australia, 2006 to 2101](#) (cat. no. 3222.0).

Projection series, assumptions used

Series I: No change in living arrangement propensities from 2006. Any changes observed will only reflect changes in population dynamics.

Series II: Low rate of change.

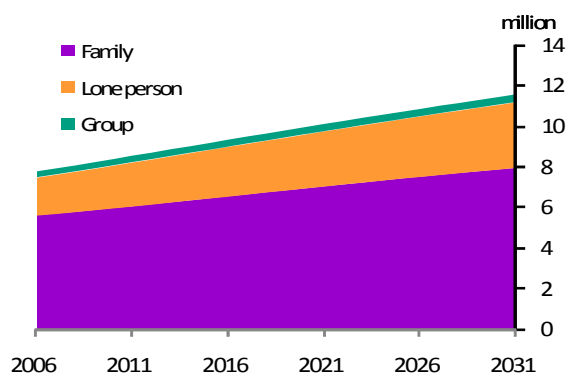
Series III: High rate of change.

The analysis in this article is based on Series II unless otherwise stated.

In this article, *family* refers to two or more persons, one of whom is 15 years or over, who are related by blood, marriage (registered or de facto), adoption, step or fostering, and who are usually resident in the same household.

A *household* refers to a group of two or more people usually resident in the same dwelling who make shared provision for food and other essentials for living, or one person who makes his or her own provision for food and other essentials for living.

Projected number of households(a) – Series II



(a) At June 30.

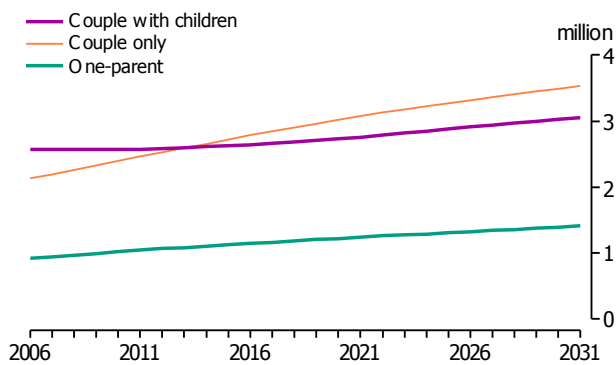
Source: ABS [Household and Family Projections, Australia, 2006 to 2031](#) (cat. no. 3236.0)

Types of households

The majority of growth in the number of households is projected to come from family households. Family households are projected to increase from around 5.7 million in 2006 to over 7.9 million in 2031 (or 1.4% per year). By 2031, family households are projected to make up over two-thirds (69%) of households, down from 72% in 2006.

However, the fastest growing household type is lone person households, projected to grow by an average of 2.2% per year, from 1.9 million in 2006 to 3.2 million in 2031. This results from the share of lone person households increasing from 24% in 2006 to 28% in 2031. Group households are projected to continue to make up around 3.5% of all households.

Projected family types(a) – Series II



(a) At June 30.

Source: ABS [Household and Family Projections, Australia, 2006 to 2031](#) (cat. no. 3236.0)

Families

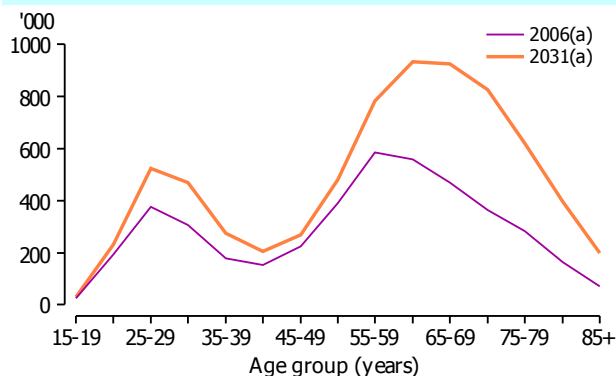
There are many different combinations of related individuals who can live together, making up a diverse range of families. However, to simplify the analysis, families are classified into three main types: couples with children; couples without children; and one-parent families.

...couples with and without children

In 2006, 2.6 million families were couple families with children, making it the most common type of family and accounting for 45% of all families. Despite a projected increase of almost half a million by 2031 (to 3.1 million), the proportion of families with children in 2031 (38%) is projected to be overtaken by couples without children (43%). Couples without children are projected to be the fastest growing family type, increasing by 1.4 million over the 2006–2031 period (to 3.5 million).

The relatively faster growth in couples without children is in part due to the increasing propensity for couples to remain childless, but is largely due to the ageing of the population.

People in couple families without children – Series II projections



(a) At June 30.

Source: ABS [Household and Family Projections, Australia, 2006 to 2031](#) (cat. no. 3236.0)

Household and family types

A *couple family with children* consists of two persons who are in a registered or de facto marriage, and one or more children (of any age) who are usually resident in the same household. The family may include any number of other related individuals usually resident in the household.

A *couple family without children* contains two persons who are in a registered or de facto marriage who are usually resident in the same household where no children of any age are usually resident. The family may include any number of other related individuals usually resident in the household.

Group households comprise two or more unrelated people aged 15 years or over. There are no reported couple relationships, parent-child relationships or other blood relationships in these households.

A *one-parent household* consists of a person who has no spouse or partner present in the household but who forms a parent-child relationship with at least one child usually resident in the household.

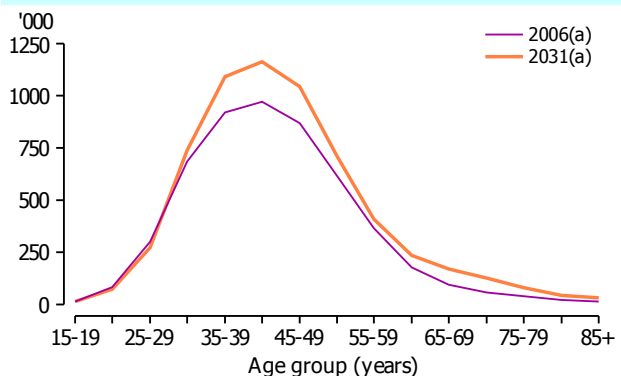
A *lone person household* is a person at least 15 years of age who lives in a dwelling on their own.

A *child* can be a natural, adopted, step or foster son or daughter. In order to be classified as a child, the persons can have no partner or child of his/her own usually resident in the household.

Other families are related individuals living in the same household, however do not form a couple or parent-child relationship with any other householder, and are not attached to a couple or lone parent family. For example, a household consisting of a brother and sister only.

The ageing effect is most evident in the 60 to 79 years age range, where there are projected to be 1.6 million more people in couple families without children in 2031 than in 2006 (from 58% to 60% of all households). The growth in the number of older people who are in couples without children can be mostly attributed to the growing number of post-child couples or 'empty nesters'. The proportion of younger people (20–39 years) in couple families without children is projected to increase slightly from 18% to 20%, with a numeric increase of 440,000 between 2006 and 2031 under Series II.

People in couple families with children – Series II projections



(a) At June 30.

Source: ABS [Household and Family Projections, Australia, 2006 to 2031](#) (cat. no. 3236.0)

Another way of representing the increase in the number of empty nesters is as a proportion of all people in couples without children. In 2006, 44% of people in couples without children were aged 60 years and over. By 2031 this is projected to be 55%.

...one-parent families

The proportion of one-parent families has remained relatively steady over recent decades, and that proportion is projected to remain fairly stable into the future. Series II projections show the proportion of one parent families increasing slightly from 16% in 2006 to 17% by 2031. However, population growth means that the number of lone-parents is projected to rise from 0.9 million to 1.4 million between 2006 and 2031.

Series II projects that women continue to be the principal parent in one-parent families, accounting for 83% or 1.2 million parents in one-parent families in 2031.

By 2031, it is projected that 17% of lone-parents will be men. The most common age for men to be a lone-parent is 45–49 years, in both 2006 and projected for 2031, and for a lone-female parent it was 40–44 years in both 2006 and projected for 2031.

Lone person households

There are various situations in which a person will live by themselves; people not forming live-in partnerships, as a result of a relationship breakdown, or as a result of becoming widowed. Between 2006 and 2031, lone person households are projected to grow from 1.9 million to 3.2 million, with the proportion of all households containing only one person rising from 24% to 28%.

As older people are more likely to live alone (most often because of widowhood), an ageing

population has the effect of increasing the number of lone person households¹. Almost two-thirds of the increase in lone person households between 2006 and 2031, is projected to be among people aged 60 years and over. In 2006, the peak age for people living alone was 55–59 years. In 2031, this is projected to have shifted to 80–84 years.

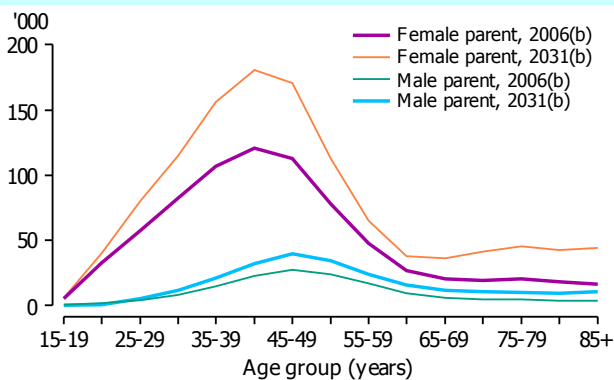
At older ages (60 years and over), women are projected to drive the growth in lone person households, with a projected growth rate of 2.8% per year. Under Series II, there will be 1.1 million older women (aged 60 years and over) living alone in 2031, up from 0.6 million in 2006, and representing over three-fifths of the number of older people living alone. In contrast, among younger age groups, many more men than women are projected to be living alone in 2031, as men are less likely to form one-parent families after relationship breakdown, and are more likely to live alone. Between the ages of 25 and 49 years there are projected to be 0.6 million men living alone in 2031 compared with 0.4 million women at the same age.

Group households

Group households are generally transient in nature as their formation is often associated with a period of transition for young adults from living with parents to forming their own partnership¹.

Series II projections show that in 2031 there are projected to be 379,000 group households, up from 291,000 in 2006. As a proportion of all households, group households are projected to account for around 3% in 2031, a similar proportion to 2006. The majority (54%) of people living in a group households are projected to be aged between 15–29 years, as in 2006 (51%).

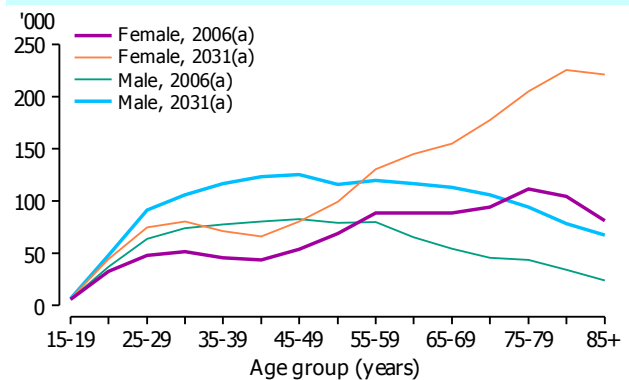
One-parent families(a), by age and sex – Series II projections



(a) Parent only in a one-parent family.
(b) At June 30.

Source: ABS [Household and Family Projections, Australia, 2006 to 2031](#) (cat. no. 3236.0)

Projected lone person households, by age and sex – Series II



(a) At June 30.

Source: ABS [Household and Family Projections, Australia, 2006 to 2031](#) (cat. no. 3236.0)

Other living arrangements of older people

The majority of older people aged 85 years and over live independently within the community, however, there is a considerable proportion who live in non-private dwellings such as retirement villages, hostels and nursing homes.

In 2006, 31% of people aged 85 years and over were a usual resident of a non-private dwelling. By 2031, this is projected to be 28%. However, the projected number of older people aged 85 years and over who will be a usual resident of a non-private dwelling is expected to increase by 131,000 individuals, from 98,000 in 2006 to 229,000 by 2031.

Cities, states and territories

By 2031, Melbourne is projected to have experienced the largest increase in the number of households of all capital cities (with an increase of 720,000 households), followed by Sydney (661,000). However, Perth is projected to have the fastest growth rate (2.2% per year), followed by Brisbane (2.1% per year).

Of the smaller cities, Canberra is projected to have the largest numeric increase adding around 50,000 households between 2006 and 2031, while Darwin is projected to have the fastest growth rate (2.0% per year).

Overall, Queensland, Western Australia and the Northern Territory are projected to be the three states with the fastest annual household growth, whilst Tasmania and South Australia are projected to have the slowest.

Looking ahead

Population growth and the ageing of the population, along with societal changes such as the propensity for people to have smaller families, or live alone, are projected to lead to an extra 3.8 million Australian households by 2031.

Growth in particular types of households may be reflected not only in the types of dwellings required but also in the types of services needed. An ageing population may put more emphasis on single person accommodation, in particular for older people, as well as on health, caring and support services for older people living alone. Meanwhile, the projected increase in family households may continue demand for family accommodation and allied services.

The scale of the projected growth, particularly in the capital cities, is likely to present significant public policy challenges for city planning and service provision.

Endnotes

- 1 Australian Institute of Family Studies, 2004, [Diversity and change in Australian families: Statistical profiles](#), viewed 18 October 2010, <www.aifs.gov.au>

Projected number of households, by capital cities – Series II

Capital city	2006(a)	2031(a)	Numeric change	Annual average growth rate
	'000	'000	'000	%
Sydney	1 572.1	2 233.1	661.0	1.4
Melbourne	1 391.9	2 111.6	719.7	1.7
Brisbane	671.6	1 131.0	459.4	2.1
Adelaide	459.5	606.1	146.6	1.1
Perth	578.3	988.0	409.8	2.2
Hobart	82.2	106.2	24.0	1.0
Darwin	40.1	65.5	25.4	2.0
Canberra(b)	126.5	176.8	50.3	1.3
Total	4 922.1	7 418.4	2 496.3	1.7

(a) At June 30.

(b) Projections are for the Australian Capital Territory (ACT), as capital city projections were not generated given the small population that lives outside Canberra in the ACT.

Source: ABS [Household and Family Projections, Australia, 2006 to 2031](#) (cat. no. 3236.0)